

ANNUAL FINANCIAL REPORT
OF ELVAL S.A. HELLENIC ALUMINIUM INDUSTRY
FOR THE FISCAL YEAR 2010

Index

1. Statements of the Board of Directors' Members
2. Annual Report of the Board of Directors for fiscal year 2010
3. Independent Auditors Report of Annual Financial Statements
4. Annual Financial Statements (Group and Company) for the fiscal year 2010
5. Summarized financial data and information

The present Annual Financial Report of ELVAL Hellenic Aluminium Industry S.A. for the fiscal year 2010, can be found in the official web site of ELVAL S.A. (www.elval.gr) and the official web site of Athens Stock Exchange (www.athex.gr).

Statements of the Board of Directors' Members

(In accordance with article 4 par. 2 of Law 3556/2007)

Hereby we state and confirm that according to our knowledge the Annual Financial Statements of ELVAL S.A. HELLENIC ALUMINIUM INDUSTRY for the fiscal year 2010, which were drawn up in accordance with the applicable accounting standards, reflect in a true manner the actual details and figures of the assets and liabilities, the equity and the profit and loss of ELVAL SA. and Group ELVAL, as well as the entities included in consolidation.

Also hereby we state and confirm that according to our knowledge the Annual Report of the Board of Directors presents in a true manner the evolution, the performance and the financial position of ELVAL SA. and Group ELVAL, as well as the entities included in consolidation, including their risks and uncertainties they facing up.

Athens, March 24, 2011

The Chairman of the
B.o.D.

MILTADIS
LIDORIKIS
Id.C.No N 032204

The Vice President of the
B.o.D.

DIMITRIOS
KYRIAKOPOULOS
Id.C.No N 329672

A Member of the
B.o.D.

NIKOLAOS
KOUDOUNIS
Id.C.No AE 012572

Annual Report of the Board of Directors for fiscal year 2010

Dear shareholders,

In the context of the provisions of Law 2190/1920 and Law 3556/2007, the relevant implementing decisions of the Board of Directors of the Hellenic Capital Market Commission and the Articles of Association of “ELVAL S.A.- ALUMINIUM HELLENIC INDUSTRY” (hereinafter the “Company”), we herewith submit this Annual Financial Report of the Board of Directors for the fiscal year 2010, namely from 1 January 2010 to 31 December 2010.

ELVAL Group (hereinafter the “Group”) consolidates the Company and the following associated companies:

<u>Entity name</u>	<u>Country of registration</u>	<u>Holding percentage</u>	<u>Method of consolidation</u>
ETEM SA	Greece	64.78%	Full Consolidation
SYMETAL SA	Greece	99.99%	Full Consolidation
VIOMAL SA	Greece	50.00%	Full Consolidation
ELVAL COLOUR SA	Greece	89.54%	Full Consolidation
VIEXAL SA	Greece	73.33%	Full Consolidation
BRIDGNORTH ALUMINIUM Ltd	England	75.00%	Full Consolidation
BLYTHE Ltd	Cyprus	100.00%	Full Consolidation
STEELMET ROMANIA SA	Romania	52.96%	Full Consolidation
KANAL SA	Greece	91.20%	Full Consolidation
ATHENS ART CENTRE SA	Greece	100.00%	Full Consolidation
ANOXAL SA	Greece	100.00%	Full Consolidation
ANAMET SA	Greece	26.67%	Equity Method
STEELMET SA	Greece	29.56%	Equity Method
DIAPEM COMMERCIAL SA	Greece	33.33%	Equity Method
VEPEM SA	Greece	50.00%	Equity Method
ELKEME SA	Greece	40.00%	Equity Method
TEPRO METAL AG	Germany	46.35%	Equity Method
METAL GLOBE Doo	Serbia	40.00%	Equity Method
AFSEL SA	Greece	50.00%	Equity Method

1. Development, performance and financial position of the Company and the Group

General Comments

ELVAL and ELVAL Group registered profits again in 2010. Following a considerable rise in sales in terms of volumes, values and better prices, the Company turnover stood at €597 million, achieving a 46.3% increase, while the consolidated turnover rose to €930 million, i.e. a 34.8% increase. Gross profit, for the Company, rose by 158% to €23 million; earnings before tax rose to €11.5 million compared to losses of €1.8 million and finally earnings after tax stood at €9.5 million.

Accordingly, at Group level, gross profit rose by 49.6% to €77 million from €51.5 million; earnings before tax came to €16.6 million compared to losses of €8.1 million and earnings after tax came to €7.3 million compared to losses after tax of €11.4 million (earnings per share: €0.069 compared to losses of €0.052 in 2009).

Demand primarily in European markets was expanded in relation to 2009 and led to increased sales volumes by 26.1% at Company level. Overall, the aluminium rolling segment registered an upward and profitable performance for both parent Company and the plant in England. On the contrary, the aluminium extrusion segment, in which the subsidiary ETEM, operates still suffers from a low and loss-making pace.

As regards the investment plan, the amounts of €21.9 million and €44.4 million were spent at Company and Group level respectively. By the end of 2010, such plan had been completed almost in its entirety, thus leading to a raised production capacity of plants.

Concurrently, our efforts focusing on occupational health and safety and environment continued at the same rate. The new investment plan for industrial water recycling aiming at its zero discharge has been scheduled to start operating within the second quarter of 2011.

Finally, net borrowing of the Company and the Group rose to €152.6 million and €280.8 million respectively, owing to the investment expenditure and the increased sales volumes which led to higher needs for working capital in conjunction with higher aluminium prices.

a. Important events during 2010

1. Absorption of subsidiary ETALBOND SA by subsidiary ELVAL COLOUR SA

On 31 May 2010, the merger through absorption of ETALBOND SA, a subsidiary of ETEM SA, by ELVAL COLOUR SA, a subsidiary of the Company was completed through entry of approval decision No 9892-31/05/2010 of the Prefect of Athens in Societes Anonyme Register of the Prefecture of Athens, in compliance with the provisions of Codified Law 2190/1920 and Law 2166/1993. The 28th of February 2010 was set as transformation balance sheet date while the absorption was approved by the General Meetings of shareholders of ELVAL COLOUR SA and ETALBOND SA that took place on 26 May 2010.

2. Acquisition of holdings in ANOXAL SA and ELVAL COLOUR SA

For reasons related to the internal reorganization of ELVAL Group, the Board of Directors of the parent Company and subsidiary's ETEM SA decided on their meetings on August 10, 2010, the sale of ETEM's 45% stake in ANOXAL SA to the Company for €5.4 million and the sale of ETEM's 11.33% stake in ELVAL COLOUR SA to the Company for €4.6 million. The above transactions were completed on 18 August 2010.

3. Acquisition of 6% of ETEM SA

On 4 October, the Company purchased 1,800,000 shares of ETEM SA accounting for 6% of its share capital through Athens Stock Exchange. Following this act, the Company now holds 19,440,530 shares, namely 64.78% of the share capital of ETEM SA.

4. Increase in share capital of the associated company TEPRO METAL AG

On 20 September 2010, the Company decided to take part in the share capital increase of its associate TEPRO METALL AG by €0.8 million, increasing its holding percentage to 46.35%.

b. Course of operations – financial data

Market information – International economic environment

Following the financial crisis of 2008, international economy started gradually recovering mainly at the end of 2009 and in 2010 economic circumstances improved considerably in the largest international markets. The demand for end products registered relatively high levels, this having an obvious effect on the sales volumes and the processing prices of the Company's products.

Primary aluminium prices (LME) rose considerably (30% increase in average price in USD) and if we take into account the strengthening of USD, the average aluminium price in Euro was 38% higher than that of 2009 (€1,637 per ton compared to €1,189 per ton).

The adverse situation of the Greek economy and in particular the construction sector has had a negative impact on the extrusion sector but did not have any significant direct effect on the rolling sector due to the strong export orientation thereof. Nevertheless, there are indirect effects mainly on borrowing costs (due to an increase in the spreads of the Greek Banks) and credit insurance cost.

Production - Turnover

The capacity of the plant at Inofita gradually increased through incorporation of the new investment plan. By taking advantage of almost 100% of this increased capacity, the production of the plant rose to 225.5 thousand tons compared to 179.7 thousand tons in 2009, while sales rose to 222.1 thousand tons compared to 176.1 thousand tons in 2009. In detail, Company sales per category are set out in the table below:

Sales breakdown ELVAL SA						
Sales category	Amounts in tons		Amounts in thousand Euros		Difference (%) in volume and in value	
	2010	2009	2010	2009	2010/2009	2010/2009
1. Production						
Domestic	80,540	68,844	184,840,36	147,994,92	16.99%	24.90%
Exports	141,604	107,337	382,305,79	244,651,86	31.93%	56.27%
Sub-total	222,144	176,181	567,146,15	392,646,78	26.09%	44.44%
2. Other sales and income from services	--	--	29,806,30	15,456,75	--	92.84%
Grand total	222,144	176,181	596,952,45	408,103,53	26.09%	46.27%

Turnover in the consolidated income statement stood at €930.5 million – after eliminating inter-company sales equal to €179 million – and is increased by 34.8% compared to 2009. Approximately 50% of the consolidated turnover originated from the Company and the rest came mainly from ETEM SA, BRIDGNORTH ALUMINIUM LTD and SYMETAL SA with €109 million, €176 million and €133 million respectively, after the elimination of inter-company transactions.

Exports

ELVAL Group is oriented to international markets with 57% and 79% of the value of Company and Group sales respectively being directed outside Greece (a rising percentage if we take into account the sales of the subsidiary SYMETAL SA which obtains its raw material from the Company and has a strong export nature). In detail, the destinations of our products are presented in the table below:

Geographical distribution sales (in thousand €)										
Geographical sector	GROUP					COMPANY				
	2010		2009		change	2010		2009		change
	Amount	%	Amount	%	%	Amount	%	Amount	%	%
Greece	197,488	21.2%	114,044	16.5%	73.2%	258,991	43.4%	149,515	36.6%	73.2%
European Union	565,744	60.8%	428,857	62.1%	31.9%	257,891	43.2%	174,296	42.7%	48.0%
Other European countries	47,769	5.1%	33,466	4.8%	42.7%	21,950	3.7%	11,285	2.8%	94.5%
Asia	58,045	6.2%	50,501	7.3%	14.9%	32,226	5.4%	31,985	7.8%	0.8%
America	52,886	5.7%	54,615	7.9%	-3.2%	22,044	3.7%	37,658	9.2%	-41.5%
Africa	4,389	0.5%	4,755	0.7%	-7.7%	811	0.1%	1,539	0.4%	-47.3%
Oceania	4,162	0.4%	3,949	0.6%	5.4%	3,040	0.5%	1,826	0.4%	66.5%
Total	930,483	100.0%	690,187	100.0%	34.8%	596,952	100.0%	408,104	100.0%	46.3%

Overall, during 2010, the Group was present in more than 80 countries on a worldwide scale. Apart from Greece, the main countries are Germany, Italy, France, Poland, Bulgaria, United Kingdom, Turkey and USA to which almost 50% of Group sales are directed.

Investments - Participations

During 2010, investment expenditure amounted to €21.9 million and €44.4 million for the Company and the Group respectively. The investment plan was completed at the plant at Inofita and its nominal capacity rose to 240,000 tons of finished products. The new rolling mill was put into operation for the subsidiary SYMETAL and it is expected to use its full potential during 2011. Concurrently, the investment plan aiming at full water recycling, which is expected to start operating during the second quarter of 2011, is pursued.

During 2010, Group restructuring continued. The subsidiary ANOXAL now belongs by 100% directly to the Company after the latter acquired the holding owned by ETEM. At the same time, a stake of 11.33% of ELVAL COLOUR (following absorption of ETALBOND) was transferred from ETEM to ELVAL which now holds directly and indirectly 75.29% and 14.25% of the company respectively.

Finally, the Company strengthened its position in ETEM SA by 6% by acquiring the respective holding and also acquired 5.96% in the German associate TEPRO METAL A.G. through its participation in the increase of its share capital.

Notes on the Balance Sheet

Property, plant and equipment in Company's financial statements have been affected by the above investments that having an increase by €21.9 million and were reduced by annual depreciation, thus being decreased by €5.3 million while investments in subsidiaries and associates appear increased by €14.5 million following the above transactions.

Current assets have registered a considerable increase by €42.8 million due to the increased needs for working capital. Inventories and receivables have been adjusted to the increased production and sales volumes. Moreover, the high average price of primary aluminium had an additional effect on figures.

In Liabilities, equity appears higher due to profitability while loans are also higher in order to meet the needs for working capital. During the year, new bond and long-term loans were taken out which stood at €59 million in order to make up for the instalments already paid (€31.4 million) and to replace short-term loans, thus aiming at a healthier financial structure.

The Group financial statements arose from the consolidation of the respective statements of the parent Company and its subsidiaries and associates as set out in the table at the beginning of this report.

Participation in other companies, i.e. HELLENIC CABLES SA, ALPHA TRUST SA based in Athens, EVETAM SA based in Volos, DIA.BI.PE.TH.I.V SA based in the Industrial Zone of Thisvi in Viotia and ALURAME SRL based in Italy, is included in the Group financial statements as available-for-sale financial assets because participation therein is less than 20%.

Full consolidation entries resulted into non-controlling interests in Share Capital amounting to €29 million and in Reserves and Profits amounting to €14.2 million (namely, a total amount of €43 million) which appear in Liabilities.

The Trade Receivables and Trade Payables shown in Assets and Liabilities of the consolidated balance sheet respectively arose after offsetting inter-company receivables – liabilities totalling €49.4 million.

Notes on Income Statements

The total amount of Company sales equal to €596.95 million includes the sales of products reported in the relevant sales table that are equal to €567.10 million and fall mainly under the Statistical Classification Category (STAKOD) – 91 274.2 (aluminium production) and other income equal to €29.8 million which mainly concerns sales of other materials, items and by-products as well as imputed direct expenses of product sales.

Following deduction of the cost of sold products and materials, the gross operating profit stands at €23 million. The reversal of a provision for inventories devaluation (that had taken place in 2008) amounting to €4.7 million had taken place in 2009. No such case occurred in 2010.

Due to increased needs for working capital, borrowing was higher and, combined with the spreads charged by the Banks to new borrowings, led to an increase in financial expenses from €3.8 million to €5.6 million.

Finally, earnings before tax amounted to €11.4 million and €16.6 million for the Company and the Group respectively (which was negatively affected by ETEM S.A. and ANOXAL S.A. and positively by most of the other Group companies) and finally earnings after tax stood at €9.5 million and €7.3 million for the Company and the Group respectively (€8.5 million: earnings after tax and non-controlling interests compared to losses of €6.4 million in 2009).

As for the year 2010, it is proposed not to distribute dividend so as to boost liquidity.

The ratios presenting the financial position of the Company and Group between 2010 and 2009 were as follows.

RATIOS	GROUP		COMPANY	
	2010	2009	2010	2009
Profitability (% of sales)				
Gross profit	8.28%	7.46%	3.86%	2.19%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	7.36%	6.31%	6.10%	5.06%
Earnings / (losses) after taxes and non-controlling interests	0.92%	-0.93%	1.59%	-0.58%
Evolution (%)				
Sales	34.82%	-23.52%	46.27%	-24.57%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	57.21%	33.70%	76.12%	63.11%
Earnings / (losses) after taxes and non-controlling interests	232.34%	-27.25%	502.64%	93.13%
Financial (%)				
Interest expense / Earnings before interest, taxes, depreciation and amortization (EBITDA)	18.0%	32.0%	15.4%	18.3%
Liquidity (:1)				
General Liquidity (Current Assets / Current Liabilities)	1.90	1.84	2.25	2.39
Debt (:1)				
Total Liabilities / Equity	0.91	0.85	0.53	0.45
Bank Loans / Equity	0.57	0.51	0.32	0.24
Equity / Total Liabilities	1.19	1.29	1.90	2.23
Fixed Assets turnover (:1)				
Equity / Non-current assets	1.05	1.03	1.07	1.07

2. Subsequent events after the year ending 2010

-On January 14, 2011 the subsidiary ELVAL COLOUR SA participated in the share capital increase of the company CONSULTANT & CONSTRUCTION SOLUTIONS SA for €0.9 mill in cash and acquired the 86.8% of its share capital

- On February 28, 2011, ETEM SA, in compliance with the decision dated 11/10/2010 of its Board of Directors, set up a subsidiary in Albania trading as “ETEM Albania” which has an initial share capital of €100,000.00 divided into 10,000 shares with a nominal value of €10 each and deals mainly with the trade of metal products.

3. Transactions with related parties

Company's related parties have been identified based on requirements of IAS 24 and comprise of its subsidiaries, its associates, VIOHALCO SA which controls the Company (together with its related parties) and the members of the Board of Directors and the key management personnel.

The Company purchases goods and services from these related parties, sells goods and provides services to them and receives dividends. Following is a summary of Company's transactions with related parties:

Company, 2010 amounts - in €							Dividend income
Entities	Relation	Sales	Purchases	Receivables	Payables		
ETEM SA	Subsidiary	2,876,436	44,174	2,063,026	-	-	-
STEELMET SA (BG) (*)	Subsidiary	1,179,717	15,639	528,269	29,172	-	-
ETALBOND SA (*)	Subsidiary	1,257,061	3,360	-	-	-	-
ETEM S.C.G d.o.o (*)	Subsidiary	25,763	-	25,763	-	-	-
VIEXAL LTD	Subsidiary	-	507,975	3,631	31,994	-	-
VIOMAL SA	Subsidiary	6,038,022	620,685	3,956,906	445,928	859,740	-
ELVAL COLOUR SA	Subsidiary	2,311,627	18,444,631	-	7,530,802	-	-
KANAL SA	Subsidiary	360	-	559	-	-	-
STEELMET ROMANIA SA	Subsidiary	989,179	152,898	390,075	53,511	-	-
BLYTHE Ltd	Subsidiary	-	-	-	-	-	-
BRIDGNORTH ALUMINIUM LTD	Subsidiary	60,600	-	514,402	310,639	1,572,540	-
SYMETAL SA	Subsidiary	115,697,990	16,847,711	28,816,950	-	-	-
ANOXAL SA	Subsidiary	87,635	1,984,184	-	-1,994,417	-	-
Total subsidiaries		130,524,390	38,621,257	36,299,581	6,407,629	2,432,280	
ELKEME SA	Associates	-	416,000	-	462,250	-	-
AFSEL SA	Associates	5,160	501,303	9,207	335,424	-	-
ANAMET SA	Associates	1,617	4,371,036	1,640	178,491	-	-
TEPROMETAL AG	Associates	12,046,489	1,399,483	6,009,506	2,764,786	-	-
MKC GMBH (**)	Associates	1,906,334	3,441	590,010	848	-	-
STEELMET SA	Associates	-	1,975,330	-	-	619,600	-
METAL GLOBE	Associates	349,910	8,015	348,070	6,320	-	-
DIAMEM COMMERCIALS SA	Associates	1,550	1,847	1,606	172,905	-	-
Total associates		14,311,060	8,676,455	6,960,039	3,921,024	619,600	
GENECOS SA	Other	1,786,889	594,198	622,324	71,421	-	-
METAL AGENCIES LTD	Other	2,669,034	8,636	944,896	60,099	-	-
STEELMET CYPRUS LTD	Other	-	319,737	-	-	-	-
HALCOR SA	Other	556,846	426,444	228,960	91,117	-	-
ERGOSTEEL S.A	Other	82,737	457,899	16,266	118,258	-	-
HELLENIC CABLES SA	Other	1,028,344	2,155,270	588,592	852,485	-	-
SIDENOR S.A.	Other	4,113	252,909	5,058	60,328	-	-
TELECABLES SA	Other	123,533	650,378	231,583	362,309	-	-
TEKA SYSTEMS SA	Other	185	3,570,922	-	1,214,974	-	-
Other entities	Other	36,389	1,463,672	14,313	234,852	308	-
Total other		6,288,070	9,900,065	2,651,992	3,065,843	308	
GRAND TOTAL		151,123,520	57,197,777	45,911,612	13,394,496	3,052,188	

(*) Subsidiaries of Group ETEM
(**) Subsidiary of Group TEPROMETAL

Company, 2009 amounts - in €							Dividend income
Entities	Relation	Sales	Purchases	Receivables	Payables		
ETEM SA	Subsidiary	2,213,347	1,182,341	-	172,479		-
STEELMET SA (BG) (*)	Subsidiary	1,333,086	3,825	400,935	13,533		-
ETALBOND SA (*)	Subsidiary	3,315,117	659,209	3,099,543	-		-
VIEXAL LTD	Subsidiary	-	531,964	10,631	15,896		25,631
VIOMAL SA	Subsidiary	5,335,951	292,302	3,076,875	205,211		45,834
ELVAL COLOUR SA	Subsidiary	615,343	15,747,643	-	5,681,277		-
KANAL SA	Subsidiary	2,360	-	186	-		33,750
STEELMET ROMANIA SA	Subsidiary	768,541	9,865	277,199	9,865		-
BLYTHE Ltd	Subsidiary	-	-	-	-		1,530,348
BRIDGNORTH ALUMINIUM LTD	Subsidiary	60,000	18,356	453,803	322,137		-
SYMETAL SA	Subsidiary	80,987,905	8,330,240	16,455,727	-		-
ANOXAL SA	Subsidiary	47,689	810,640	62,753	(785,220)		-
ELVAL SERVICE CENTER SA	Subsidiary	13,645	616,140	-	-		-
Total subsidiaries		94,692,984	28,202,525	23,837,652	5,635,178		1,635,563
ELKEME SA	Associates	-	393,500	-	469,065		-
AFSEL SA	Associates	5,160	191,850	3,042	60,933		-
ANAMET SA	Associates	2,484	1,648,594	2,484	8,147		-
TEPROMETAL AG	Associates	7,377,772	1,348,843	4,554,108	2,725,125		-
MKC GMBH (**)	Associates	1,407,953	5,372	553,336	(1,089)		-
STEELMET SA	Associates	550	2,254,119	863	495,871		763,562
METAL GLOBE	Associates	151,487	11,233	178,010	11,233		-
DIAMEM COMMERCIALS SA	Associates	1,550	1,847	-	170,662		-
Total associates		8,946,956	5,855,358	5,291,843	3,939,947		763,562
GENECOS SA	Other	967,738	473,043	518,337	62,471		-
METAL AGENCIES LTD	Other	1,918,856	10,055	750,688	51,463		-
STEELMET CYPRUS LTD	Other	-	389,009	-	114,649		-
HALCOR SA	Other	498,521	964,177	235,389	109,052		-
HELLENIC CABLES SA	Other	224,235	1,133,883	88,121	387,997		-
TELECABLES SA	Other	209,896	798,351	249,776	374,789		-
TEKA SYSTEMS SA	Other	-	3,017,922	-	834,824		-
Other entities	Other	99,479	1,069,360	18,279	385,346		234
Total other		3,918,725	7,855,800	1,860,590	2,320,591		234
GRAND TOTAL		107,558,665	41,913,683	30,990,085	11,895,716		2,399,359
(*) Subsidiaries of Group ETEM							
(**) Subsidiary of Group TEPROMETAL							

Benefits to Key Management Personnel	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Amounts in €				
Fees - benefits to the members of the Board of Directors and executives	3,398,604	3,882,586	1,702,106	1,858,154

Following is a summary of ELVAL Group transactions with related parties:

Group – 2010 amounts - in €				
Entities	Sales	Purchases	Receivables	Payables
ANAMET SA	1,619,952	4,748,269	85,533	178,491
TEPROMETALL AG	19,410,996	2,025,063	8,591,436	3,489,245
MKC GMBH	2,011,867	13,071	595,310	2,277
STEELMET SA	28,690	2,684,083	1,562	211,812
GENECOS SA	1,801,171	629,988	626,035	91,327
METAL AGENCIES LTD	13,330,148	138,343	3,405,663	323,536
SOFIA MED	199,832	5,337,563	22,246	1,689,635
STEELMET CYPRUS LTD	121,000	792,383	45,556	133,995
HALCOR SA	1,113,260	16,183,746	325,409	2,384,940
HELLENIC CABLES SA	1,577,471	2,390,030	1,002,232	1,058,943
SIDENOR SA	859,051	325,671	46,619	60,787
TEKA SYSTEMS SA	23,813	4,380,981	4,126	1,660,900
Other entities	9,992,671	5,849,152	2,252,471	2,345,415
Grand total	52,089,922	45,498,343	17,004,198	13,631,303

Group – 2009 amounts - in €				
Entities	Sales	Purchases	Receivables	Payables
ANAMET SA	131,343	2,334,474	107,402	72,622
TEPROMETALL AG	12,239,645	2,175,968	5,748,304	3,327,120
MKC GMBH	1,662,450	7,249	591,914	1,576
STEELMET SA	23,442	2,969,711	7,509	1,068,532
GENECOS SA	971,211	492,490	523,636	90,166
METAL AGENCIES LTD	9,016,553	145,026	2,654,240	259,072
SOFIA MED	378,200	4,404,233	16,583	1,239,305
STEELMET CYPRUS LTD	166,242	1,027,026	39,906	264,275
HALCOR SA	1,313,061	9,312,262	312,892	2,330,366
HELLENIC CABLES SA	872,638	1,384,364	588,712	483,410
SIDENOR SA	942,912	1,361,368	57,656	288,942
TEKA SYSTEMS SA	28,743	4,325,166	2,732	1,437,428
Other entities	2,115,631	5,113,819	922,797	1,898,104
Grand total	29,862,071	35,053,156	11,574,283	12,760,919

4. Main risks and uncertainties

The Group's risk management policies are applied in order to identify and analyze the risks facing the Group, set risk-taking limits and apply relevant control systems. The risk management policies and relevant systems are re-examined occasionally so as to take into account any changes in the market and the Group's activities.

Credit Risk

Credit risk is the risk of the Group's loss in cases where a customer or third party in a financial transaction does not fulfil his contractual obligations and is mainly related to trade receivables and securities investments.

(a) Trade and other receivables

Group exposure to credit risk is primarily affected by the features of each customer. The demographic data of the Group's clientele, including payment default risk characterising the specific market and the country in which customers are active, affect the credit risk less since no geographical concentration of credit risk has been noted. Customer SYMETAL S.A. exceeds 10% of sales and also 10% of customers' open balance. However, SYMETAL has an extensive clientele and none of its end customers exceed 10% while the company applies the credit policy and credit insurance used by the Company.

Based on the credit policy adopted by the Board of Directors, each new customer is checked individually for creditworthiness before normal payment terms are proposed. The creditworthiness test implemented by the Group includes the examination of bank sources and other third sources of credit rating, if any. Credit limits are set for each customer, which are reviewed in accordance with current circumstances and the terms of sales and collections are readjusted, if necessary. In principal, the credit limits of customers are set on the basis of the insurance limits received for them from insurance companies and, subsequently, receivables are insured according to such limits.

When monitoring the credit risk of customers, the latter are grouped according to their credit characteristics, the maturity characteristics of their receivables and any past problems of receivability they have demonstrated. Trade and other receivables include mainly wholesale customers of the Group. Any customers characterised as being "high risk" are included in a special list of customers and future payments must be received in advance and approved by the Board of Directors. Depending on the background of the customer and its status, the Group demands real or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

The Group makes impairment provisions which reflect its assessment of losses from customers, other receivables and investments in securities. This provision consists mainly of impairment losses of specific receivables that are estimated based on given circumstances that may materialize though have not been finalized yet.

(b) Investments

Investments are classified by the Group according to the purpose for which they were acquired. The Management decides on the appropriate classification of the investment at the time of acquisition and reviews such classification on each presentation date.

The Management estimates that there will be no payment default for such investments.

(c) Guarantees

The Group's policy requires that no financial guarantees are provided. By way of exception, however, such guarantees can be provided only to subsidiaries and affiliates based on a resolution passed by the Board of Directors.

Liquidity risk

Liquidity risk is the Group's inability to honour its financial obligations when they mature. The approach adopted by the Group in order to manage liquidity is to ensure, by adequate fiscal management and sufficient credit limits from cooperating banks, that it will always have satisfactory levels of liquidity to meet its obligations when they mature, under ordinary or more difficult conditions, without there being unacceptable losses or its reputation being jeopardised.

To avoid liquidity risks the Group makes a cash flow provision for one year when preparing the annual budget as well as a rolling provision covering three months to ensure that it has adequate cash flow to meet its operating needs, including the fulfilment of its financial obligations. This policy does not take into account the impact of extreme conditions which cannot be foreseen.

Market Risk

Market risk is the risk of changes in raw material prices, exchange rates and interest rates, which affect the Group's results or the value of its financial instruments. The purpose of risk management in respect to market conditions is to control Group exposure to such risks in the context of acceptable parameters while at the same time improving performance.

The Group enters transactions involving derivative financial instruments in order to counterbalance some of the risks arising from market conditions.

(a) Fluctuation risk of metal prices (aluminium)

The Group bases both its purchases and sales on stock market prices / indexes for the price of aluminium used and contained in its products. The risk from metal price fluctuation is covered by hedging instruments (futures on London Metal Exchange-LME). The Group, however, does not use hedging instruments for the entire stock of its operation and, as a result, any drop in metal prices may have a negative effect on its results through inventory impairment.

(b) Exchange rate risk

The Group is exposed to foreign exchange risk in relation to the sales and purchases carried out and the loans issued in a currency other than the functional currency of Group companies, which is mainly the Euro. The currencies in which these transactions are held are mainly the Euro, the USD and the GBP.

Over time, the Group counterbalances the greatest part of its estimated exposure to foreign currencies in relation to the anticipated sales and purchases as well as receivables and liabilities in foreign currency. In most of the cases, the Group signs foreign currency futures with its foreign counterparties in order to hedge the risk of foreign exchange rate fluctuations, which expire normally in less than one year from the balance sheet date. When deemed necessary, these contracts are renewed upon expiry. Per case, the foreign exchange risk may be covered by taking out loans in respective currencies.

Loan interest is denominated in the same currency as cash flow, which arises from the Group's operating activities and is mainly the Euro.

The Group's investments in other subsidiaries are not hedged because these exchange positions are considered e long-term.

(c) Interest rate risk

The Group finances its investments and its needs for working capital from bank and bond loans resulting in interest charges affecting its results. Rising interest rates will have a negative impact as the Group's borrowing costs will increase.

Interest rate risk is mitigated since part of the Group's borrowing is set at fixed rates either directly or using financial instruments (interest rate swaps).

Capital management

The Group's policy is to maintain a strong capital base to ensure investor, creditor and market trust in the Group and to allow Group activities to expand in the future. The Board of Directors monitors the return on capital which is defined by the Group as net results divided by total equity, save non-controlling interests. The Board of Directors also monitors the level of dividends distributed to holders of common shares.

The Board of Directors tries to maintain equilibrium between higher returns that would be feasible through higher borrowing levels and the advantages and security offered by a strong and robust capital structure.

The Group does not have a specific plan for own shares purchase.

5. Outlook and development

The trends shaped in the international economy in 2010 persist during the first months of 2011. Of course, there are still questions about the effect of current events and about the insecurity prevailing in the Greek economy.

Apart from the vigilance we should demonstrate at all times, our companies face challenges with optimism. The plant at Inofita already has a production capacity of 240,000 tons and current orders indicate a trend for full utilization thereof. All actions focus on this objective at the lowest possible cost. A similar situation prevails at the foil plant of SYMETAL while the positive performance of the English subsidiary BRIDGNORTH ALUMINIUM LTD is expected to continue in 2011.

6. Corporate Governance Statement

1. Code of Corporate Governance

The Company and the Group have adopted the practices of Corporate Governance as for its management and operation, as these are specified under the applicable institutional framework and the Corporate Governance Code recently published by the Hellenic Federation of Enterprises (SEV) (hereinafter the “code”) and available on the following website:

http://www.sev.org.gr/Uploads/pdf/KED_TELIKO_JAN2011.pdf

In the context of preparation of the Annual Report of the Board of Directors, the Company reviewed the Code. Based on such review, the Company concluded that it applies the special practices for listed companies which are set out and described in the Corporate Governance Code of SEV, save the following practices due to the recent publication of the Code, which requires an adjustment phase:

- **Part A.II.2.2 & 2.3: Size and composition of the Board.** The independent non-executive members of the current Board of Directors are two (2) out of eleven (11) and, therefore, their number is less than the one third of all its members, as indicated in the Code.
- **Part A.V.5.5. Nomination of Board members.** There was no committee to nominate members until the time this Statement was drafted.
- **Part A.VII.7.1. – 7.3. Evaluation of Board of Directors and its Committees.** Until the time this Statement was drafted, the Company had not chosen any specific method to evaluate the effectiveness of the Board of Directors and its Committees.
- **Part B.II.1.4 Special practices for listed companies.** Audit committee consists of non-executive members exclusively but at their majority they are not independent.
- **Part C.I.1.6. Level and structure of remuneration.** Until the time this Statement was drafted, there was no Remuneration Committee.

The Company does not implement any other corporate governance practices than the special practices of the Corporate Governance Code of SEV and the provisions of Law 3873/2010.

2. Main characteristics of the Internal Control and Risk Management Systems in relation to the preparation of the Financial Statements and financial reports.

i. Description of main characteristics and details of the Internal Control and Risk Management Systems in relation to the preparation of the consolidated financial statements.

The Internal Control System of the Company covers the control procedures involving the operation of the Company, its compliance with the requirements of supervisory authorities, risk management and preparation of financial reports.

The Internal Audit Department controls the proper implementation of each procedure and internal control system regardless of their accounting or non-accounting content and evaluates the enterprise by reviewing its activities, acting as a service to the Management.

The Internal Control System aims, among others, to secure the thoroughness and reliability of the data and information required for the accurate and timely determination of the Company's financial situation and the generation of reliable financial statements.

As regards the preparation of financial statements, the Company reports that the financial reporting system of "ELVAL S.A.-Hellenic Aluminium Industry" uses an accounting system that is adequate for reporting to Management and external users. The financial statements and other analyses reported to Management on a quarterly basis are prepared on an individual and consolidated basis in compliance with the International Financial Reporting Standards, as adopted by the European Union for reporting purposes to Management, and also for the purpose of publication in line with the applicable regulations and on a quarterly basis. Both administrative information and financial reports to be published include all the necessary details about an updated internal control system including analyses of sales, cost/expenses and operating profits as well as other data and indexes. All reports to Management include the data of the current period compared to the respective data of the budget, as the latter has been approved by the Board of Directors, and to the data of the respective period of the year before the report.

All published interim and annual financial statements include all necessary information and disclosures about the financial statements, in compliance with the International Financial Reporting Standards, as adopted by the European Union, reviewed by the Audit Committee and respectively approved in their entirety by the Board of Directors.

Controls are implemented with respect to: a) risk identification and evaluation as for the reliability of financial statements; b) administrative planning and monitoring of financial figures; c) fraud prevention and disclosure; d) roles and powers of executives; e) year closing procedure including consolidation (e.g. recorded procedures, access, approvals, agreements, etc) and f) safeguarding the data provided by information systems.

The internal reports to Management and the reports required under Codified Law 2190/1920 and by the supervisory authorities are prepared by the Financial Services Division, which is staffed with adequate and experienced executives to this effect. Management takes steps to ensure that these executives are adequately updated about any changes in accounting and tax issues concerning both the Company and the Group.

The Company has established separate procedures as to how to collect the necessary data from the subsidiary companies, and secures the reconciliation of individual transactions and the implementation of the same accounting principles by the aforementioned companies.

ii. Annual evaluation of corporate strategy, main business risks and Internal Control Systems.

The Company's Board of Directors states that it has examined the main business risks facing the Group as well as the Internal Control Systems. On an annual basis, the Board of Directors reviews the corporate strategy, main business risks and Internal Control Systems.

iii. Provision of non-audit services to the Company by its legal auditors and evaluation of the effect this fact may have on the objectivity and effectiveness of mandatory audit, taking also into consideration the provisions of Law 3693/2008.

The statutory auditors of the Company for the fiscal year 2010, i.e. "KPMG Certified Auditors A.E.", who have been elected by the Ordinary General Meeting of the Company's Shareholders on 16 June 2010, do not provide non-audit services to the Company and its subsidiaries apart from those prescribed under law.

3. Public takeover offers - Information

- There are no binding takeover bids and/or rules of mandatory assignment and mandatory takeover of the Company's shares or any statutory provision on takeover.
- There are no third-party public offers to take over the Company's share capital during the last and current year.
- In case the Company takes part in such a procedure, this will take place in accordance to applicable laws.

4. General Meeting of the Shareholders and rights of shareholders

The General Meeting is convened and operates in compliance with the provisions of the Articles of Association and the relevant provisions of Law 2190/1920, as amended and in force today. The Company makes the necessary publications in line with the provisions of Law 3884/2010 and generally takes all steps required for the timely and thorough information of shareholders in regard to the exercise of their rights. The latter is ensured by publishing the invitations to General Meetings and uploading them on the Company's website, the text of which contains a detailed description of shareholders rights and how these can be exercised.

5. Composition and operation of the Board of Directors, the Supervisory Bodies and the Committees of the Company

Roles and responsibilities of the Board of Directors

The Company's Board of Directors is responsible for the long-term strategy and operational goals of the Company and generally for the control and decision-making within the framework of the provisions of Codified Law 2190/1920 and the Articles of Association, and for compliance with corporate governance principles.

The Board of Directors convenes at the necessary intervals so as to perform its duties effectively.

The role and responsibilities of the Board of Directors are summed up as follows:

- Supervision and monitoring of Company operations as well as control of attainment of business goals and long-term plans;
- Formulation and specification of Company core values and objectives;
- Securing the alignment of the adopted strategy with Company goals.
- The Board of Directors ensures that there are no situations of conflict of interests and examines any incidents or cases of deviation from the confidential information policy;
- Ensuring the reliability and approval of the Company's Financial Statements prior to their final approval by the Ordinary General Meeting;
- Securing the execution of its business activity on a daily basis through a special authorization system, while other affairs falling under its scope of responsibility are implemented under special decisions.
- The secretary of the Board of Directors is appointed for each Board of Directors and his main responsibilities are to support the Chairman and the operation of the Board in general.

The existing Board of Directors of the Company consists of 11 members of whom:

- 4 are executive members (Vice-Chairman & 3 Members)
- 5 are non-executive members (Chairman & 4 Members)
- 2 are independent, non-executive members (Other Members)

The current Board of Directors of ELVAL S.A.-Hellenic Aluminium Industry consists of the following:

- Lidorikis Miltiadis, non-executive member, Chairman
- Kyriakopoulos Dimitrios, Vice Chairman - executive member
- Katsaros Konstantinos, executive member
- Panagiotopoulos Ioannis, executive member
- Koudounis Nikolaos, executive member
- Kyriazis Andreas, independent non-executive member
- Bakouris Konstantinos, non-executive member
- Megir Abraham, non-executive member
- Kouklelis Konstantinos, non-executive member
- Wagner Reinhold, non-executive member
- Decoster Gerard, independent non-executive member

The members of the Board are elected for a one-year term by the General Meeting of the Shareholders. The existing Board of Directors of the Company was elected by the Ordinary General Meeting on 16 June 2010 and its term of office shall expire on 15 June 2011.

The Board of Directors met 57 times during 2010 with 9 of its 11 members attending in person.

Brief curriculum vitae of the Board members follow.

Lidorikis Miltiadis: Mr. Lidorikis is Chairman of the Company's Board of Directors. He is a graduate of Law School of Athens University. He has served as Director of the Hellenic Development Bank (ETVA), General Manager of the National Organization of Greek Handicraft (EOEX), Vice-chairman of the Hellenic Society of Business Administration (EEDA), Chairman of the Hellenic Society of Public Relations, Managing Director of "Hellenic Exports", a subsidiary of ETVA and General Manager of "XENIA S.A.", a subsidiary of the Greek National Tourism Organization. He has also been a Board member of the Aluminium Association of Greece.

Kyriakopoulos Dimitrios: Mr. Kyriakopoulos studied Business Administration in Athens University of Economics and Business and has a degree in Business studies from the City of London College and in Marketing from the British Institute of Marketing. He started his professional career in Procter and Gamble and in 1975 he started his long association with Warner Lambert assuming management posts. In 1983, after spending 2 years at the principal establishment of Warner Lambert in the USA as Europe Consumer Products Manager, he assumed the post of Chairman, Managing Director and General Manager of the company in Greece. Since 1985, he assumed parallel duties, at first as Regional Director of Middle East/ Africa and further as Regional President of consumer products for Italy, France and Germany. During 2000-2003 he was President of ADAMS (Confectionery Division of Pfizer) for Europe/ Middle East/ Africa. In 2004 he assumed the post of deputy managing director of KAE SA. In 2006, he became vice-chairman of non-ferrous metals of STEELMET SA and as of June 2007 he is the Vice-chairman of ELVAL SA.

Katsaros Konstantinos: Mr. Katsaros is a graduate mechanical-electrical engineer of the National Technical University of Athens; aircraft constructor/ engineer of Ecole Nationale Supérieure d' Aeronautique (Paris) and holds a PhD in Natural Sciences of Paris University. He has been working for ELVAL since 1974 and deals mainly with the company's international development. In the past, he had worked for 6 six years for Pechiney in France. He is a member on the Board of Directors of many Group companies; chairman and vice-chairman of the Aluminium Association of Greece and currently he is the chairman of aluminium rolling plants in Europe.

Panagiotopoulos Ioannis: Mr. Panagiotopoulos is a graduate of Athens University of Economics and Business and the Training Institute in Business Administration of the same University. He has been working for VIOHALCO Group of companies since 1968 in the Financing Division of Group companies. From 2005 to 2008, he was the Chairman of ELVAL SA. Since 2005 he is the vice-chairman of ERLIKON SA and also a Board member of SOVEL SA and other companies of VIOHALCO Group.

Koudounis Nikolaos: Mr. Koudounis is a graduate of Athens University of Economics and Business. He has been working for VIOHALCO Group since 1968 and he has been the Financial Manager of ELVAL SA (1983), General Manager of ELVAL SA (2000) and Managing Director of FITCO SA (2004). He already participates as an executive director in the Boards of ELVAL SA, HALCOR SA, DIA.VI.PE.THI.V SA (Chairman of BoD), FITCO SA (Chairman of BoD) and other Group companies. He is also the Chairman of the Board of Viotia Association of Industries.

Kyriazis Andreas: Mr. Kyriazis is a graduate of the Chemistry Department of Physics and Mathematics School of Athens University. He has served as Chairman of the Central Union of Greek Chambers, the Union of Balkan Chambers, the Chamber of Commerce and Industry of Athens, the Hellenic Productivity Centre, the Hellenic Society of Business Administration, and the Association of Timber Industry. He has also served as Vice-chairman of the Union of the European Chamber of Commerce and Industry and General Secretary of the Union of Greek Chemists.

Bakouris Konstantinos: Mr. Konstantinos Bakouris is member on the Board of ELVAL and HALCOR. Mr. Bakouris has been the Chairman of Corinth Pipeworks since 2005. He started his career in 1968 in ESSO PAPPAS. Two years later he became Financial Manager of UNION CARBIDE in Athens and six years later he became Managing Director. In 1985 he assumed the responsibility for the company's consumer products as Europe Vice-chairman. In 1986 he was elected Chairman of RALSTON PURINA for Europe. In 1998 he returned to Greece as Managing Director of the Olympic Games Organizational Committee "Athens 2004". From 2001 to 2002 he was the Chairman of the Hellenic Centre for Investment (EKE). From 2004 to 2008 he also served as Chairman of NET MED N.V., the parent company of NOVA subscribers' television. He is Chairman of International Transparency Hellas and Chairman of the Greek-Russian Business Council. He has a MBA from DE PAUL University in Chicago.

Megir Abraham: Mr. Megir is a graduate of Athens University of Economics and Business. He works for the VIOHALCO Group of Companies from 1983 to 1997 as Exports Director of ELVAL SA and from 1997 to date as a consultant to international companies of VIOHALCO Group as well as to ELVAL SA and STEELMET SA.

Kouklelis Konstantinos: Mr. Kouklelis is Energy Manager of VIOHALCO Group and Chairman of the Union of Industrial Energy Consumers (EBIKEN). Since 2001 he has assumed various management posts in VIOHALCO Group. From 1980 to 2000 he was the Financial Manager of ALUMINIUM DE GRECE and from 1976 to 2000 he was a top financial executive of ESSO PAPPAS. He is a member on the Board of the Foundation for Economic and Industrial Research (IOBE), of the Hellenic Federation of Enterprises (SEV) Council for Sustainable Development and the Union of Listed Companies (ENEISET). For a number of years he was a Board member of SEV. He is an economist and has graduated from Geneva University. He has an MBA from the University of Chicago.

Wagner Reinhold: Mr. Wagner is an Electrical Engineer and has worked for Alcan for 37 years. He started as maintenance engineer and finally became executive vice-chairman of Alcan Canada. He has been responsible for Alcan business in Europe.

Decoster Gerard: Mr. Decoster is an economist and has been Chairman of the Board of Directors of ALUMINIUM DE GRECE from 1978 to 1988.

Audit Committee

i. Description of the composition, operation, work, responsibilities and of the issues discussed during Committee meetings

The Audit Committee, which is elected and operates according to Law 3693/2008 (Article 37), consists of three non-executive members of the Board of Directors, one of which is independent, and his main task, in the context of the obligations described by the above law, is to support the Company's Board of Directors to fulfil its mission to safeguard the effectiveness of accounting and financial systems, audit mechanisms, business risk management systems, assure compliance with the legal and regulatory framework, and effectively implement Corporate Governance principles.

More specifically, the Audit Committee has the following responsibilities:

- To examine the effectiveness of all Management levels in relation to the safeguarding of the resources they manage and their compliance with the Company's established policy and procedures;
- To evaluate the procedures and data in terms of adequacy as for the attainment of objectives and assess the policy and the programme concerning the activity under review;
- To control periodically the various functions of different divisions or departments so as to ensure that their various functions are carried out regularly, comply with Management instructions, Company policy and procedures, and that they abide by Company objectives and standards of management practice;
- To review internal audit reports and specifically:
 - to evaluate the adequacy of their scope;
 - to confirm the accuracy of reports;
 - to examine the adequacy of documentation of the results.

The Audit Committee receives the following reports on audit activity:

- Extraordinary reports
- Quarterly financial audit reports
- Ordinary annual audit reports
- Corporate Governance Reports

The Audit Committee examines and ensures the independence of the Company's external auditors and takes cognisance of their findings and the Audit Reports on the annual or interim financial statements of the Company. At the same time, it recommends corrective actions and procedures so as to deal with any findings or failures in areas of financial reports or other important functions of the Company.

According to its Operation Regulation, the Audit Committee consists of one independent and non-executive member of the Board of Directors and two non-executive members who have the necessary knowledge and experience for the Committee's work.

The existing Audit Committee consists of the following persons:

Members: Kyriazis Andreas: independent non-executive member of the Board.
Megir Abraham: non-executive member of the Board
Kouklelis Konstantinos: non-Executive member of the Board

ii. Number of Committee meetings and frequency of each member's participation in meetings

The Audit Committee met 4 times during 2010 having full quorum but was not attended by the statutory auditors as prescribed under the Code.

iii. Evaluation of effectiveness and performance of the Committee

Until the time this Statement was drafted, no special procedures had been established to evaluate the effectiveness of the Board's Committee. Company Management will establish such procedures in the future.

7. Explanatory Report of the Board of Directors to the Ordinary General Meeting of Shareholders (par. 7 & 8, art. 4 of Law 3556/2007)

a) Structure of Share Capital

The share capital of the Company amounts to EUR 37,230,244.50 and is divided into 124,100,815 ordinary unregistered shares with a nominal value of EUR 0.30 each. All shares are listed and traded in the large-cap equities market of Athens Stock Exchange. The shares of the Company are dematerialized, unregistered and have voting rights.

Pursuant to the Company's Articles of Association, the rights and obligations of shareholders are as follows:

- Right on dividend from the annual profits of the Company. Dividend per share is paid to its holder within two (2) months from the date the General Meeting having approved the financial statements was held. The right to dividend collection is deleted following five (5) years from the end of the year during which its distribution was approved by the General Meeting.
- Pre-emption right to each rise in share capital and subscription for new shares
- Right to participate in the General Meeting of shareholders
- The attribute of shareholder automatically signifies that the latter accepts the Company's Articles of Association and the decisions made by its bodies provided they are in line with such Articles and Law.
- The shares of the Company are indivisible and the Company acknowledges only a single owner of each share. All co-owners of a share by entirety as well as those having the usufruct or bare ownership thereof shall be represented at the General Meeting by a single person appointed by the same following agreement. In case of disagreement, the share of the foregoing persons shall not be represented.
- The liability of shareholders shall be limited to the nominal capital of each share.

b) Restrictions on the transfer of Company shares

Shares of the Company shall be transferred as per legal stipulations and the Articles of Association lay no restrictions whatsoever on the transfer thereof.

c) Significant direct or indirect holdings within the meaning of art. 9 and 10 of Law 3556/2007

On 31/12/2010, the significant (over 5%) holdings are established as follows:

- VIOHALCO S.A.: 66.66% of voting rights and 64.44% of share capital
- Mr. Evangelos Stasinopoulos: 8.17% of voting rights (to which a 6.27% holding of WHEATLAND HOLDINGS LTD has been added);
- WHEATLAND HOLDINGS LTD: 6.27% of share capital.

d) Shares providing special audit rights

There are no shares of the Company providing their holders with special audit rights.

e) Restrictions on voting right

The Company's Articles of Association do not lay down any restrictions on the voting rights arising from its shares. The rules of the Company's Articles of Association regulating voting issues are set forth in Article 24 of its Articles of Association and are as follows:

- Each share represents one (1) vote at the General Meeting.
- Shareholders wishing to attend a General Meeting, at least three (3) days prior to the General Meeting, shall be obliged to furnish at the Company's offices an attestation issued by "Hellenic Exchanges SA" former Athens Central Securities Depository regarding their shareholder status with registered date the fifth day before the day of the General Meeting. Powers of attorney of the shareholders' representatives must be furnished at the Company's offices within the same three (3) days deadline.

f) Agreements between Shareholders of the Company

The Company has not been notified of any agreements between its shareholders that may entail restrictions on the transfer of its shares or on the exercise of the voting rights arising from its shares.

g) Rules applying to the appointment and replacement of BoD members and amendment of the Articles of Association

The rules stipulated by the Company's Articles of Association as regards the appointment and replacement of members of the Board of Directors and to amendments thereof do not differ from the stipulations of Codified Law 2190/1920.

h) Competence of the BoD to issue new shares or purchase own shares

- Article 6(1) of the Company's Articles of Association stipulates that only the General Meeting of shareholders held with a two-thirds (2/3) quorum of the paid-up share capital shall be entitled to increase the Company's share capital through the issue of new shares by way of decision made by a 2/3 majority of the represented votes.
- The Company's Articles of Association do not stipulate the assignment of any rights falling under the competence of the General Meeting with respect to the issue of shares and share capital increase to the BoD or certain members of the latter.
- The Board of Directors shall purchase own shares in the context of a decision made by the General Meeting pursuant to Article 16 of Codified Law 2190/1920.
- In pursuance of Article 13(13) of Codified Law 2190/1920 and a decision of the General Meeting made on 18.6.2002, during the month of December of the years 2006-2013 the Board of Directors of the Company shall increase the Company's share capital without amending its Articles of Association by issuing new shares in the context of implementation of an approved Stock Option Plan, details of which are given in note 18 of the Annual Financial Statements for the year 2010.

i) Important agreements put into effect, amended or expiring in the case of change of control following public offer

The agreements of joint bonded loans issue of both the Company and the consolidated companies, which were fully taken over by Banks and are cited in note 20 of the Annual Financial Statements of the year 2010, and have a total balance equal to € 188.74 million on 31/12/2010 (Company: € 112.94 million) include a clause on the change of control which provides the bond-holders with the right of early termination.

There are no other agreements that are put into effect, amended or expiring in case the control of the Company changes.

j) Agreements with members of the Board of Directors or personnel of the Company

There are no agreements concluded between the Company and members of its BoD or its personnel that stipulate the payment of indemnity especially in the case of resignation or dismissal without any well-founded reasons or termination of their tenure or employment.

8. Information of article 10 Law 3401/2005

The information under Article 10 of Law 3401/2005 for the year 2010 as published and made available to the public through the Company website (www.elval.gr) are presented in the table below:

No	Date	Category	Description	Place in Company's web site
1	10/02/2010	Announcement	Issuance of common bond loan	www.elval.gr > Investor relations > News – Announcements > Announcements >2010
2	12/02/2010	Announcement	Announcement for the absorption of ETALBOND S.A by ELVAL COLOUR S.A	-/-
3	24/03/2010	Announcement	Financial Calendar 2010	-/-
4	30/03/2010	Press release	Financial Results of FY 2009	-/-
5	30/03/2010	Financial Statements	Annual Financial Statements according to IFRS 2009	www.elval.gr > Investor relations > Financial Statements >2009
6	30/03/2010	Financial Statements	Figures and information according to IFRS 2009	-/-
7	16/04/2010	Press release	Presentation to the Association of Greek Institutional Investors	www.elval.gr > Investor relations > News – Announcements > Announcements >2010
8	19/05/2010	Press release	Financial Results - 1st Quarter 2010	-/-
9	19/05/2010	Financial Statements	1 st Q 2010 Interim financial statements according to IFRS	www.elval.gr > Investor relations > Financial Statements >2010
10	19/05/2010	Financial Statements	1 st Q 2010 Figures and information according to IFRS	-/-
11	20/05/2010	Announcement	Notice of the Annual General Shareholders Meeting	www.elval.gr > Investor relations > News – Announcements > Announcements >2010
12	07/06/2010	Announcement	Absorption of ETALBOND S.A by ELVAL COLOUR S.A	-/-
13	07/06/2010	Announcement	Announcement for the extra one – off contribution of social responsibility for the financial year 2010	-/-
14	11/06/2010	Announcement	Announcement for changes in the positions	-/-
15	11/06/2010	Announcement	Announcement for tax audit of subsidiary	-/-
16	16/06/2010	Press release	Press release of Annual General Shareholders Meeting	-/-
17	18/06/2010	Announcement	Resolutions of Annual General Shareholders Meeting	-/-
18	22/06/2010	Announcement	New Board of Directors	-/-
19	11/08/2010	Announcement	Announcement for purchase of stake in ANOXAL and ELVAL COLOUR	-/-
20	11/08/2010	Announcement	Issuance of common bond loan	-/-
21	18/08/2010	Announcement	Completeness of purchase of stake in ANOXAL and ELVAL COLOUR	-/-
22	27/08/2010	Press release	Financial Results 6M 2010	-/-
23	27/08/2010	Financial Statements	2 nd Q 2010 Interim financial report	www.elval.gr > Investor relations > Financial Statements >2010
24	27/08/2010	Financial Statements	2 nd Q 2010 Figures and information according to IFRS	-/-
25	30/09/2010	Announcement	Issuance of common bond loan	www.elval.gr > Investor relations > News – Announcements > Announcements >2010
26	04/10/2010	Announcement	Announcement for acquisition of 6% interest in ETEM S.A.	-/-
27	08/11/2010	Announcement	Announcement for ELVAL's Stock Option Plan	-/-
28	10/11/2010	Announcement	Issuance of common bond loan	-/-
29	23/11/2010	Press release	Financial results for 9M 2010	-/-
30	24/11/2010	Financial Statements	3 rd Q 2010 Interim financial statements according to IFRS	www.elval.gr > Investor relations > Financial Statements >2010
31	24/11/2010	Financial Statements	3 rd Q 2010 Figures and information according to IFRS	-/-
32	06/12/2010	Announcement	Expiration of the 2010 exercise period of the stock options offered to the company's Management	www.elval.gr > Investor relations > News – Announcements > Announcements >2010
33	21/12/2010	Announcement	Issuance of common bond loan	-/-

* Financial Statements of Group subsidiaries can be found in Company's website www.elval.gr > Investors Relations > Financial Results > Financial Statements of subsidiaries.

Following the aforementioned, dear Shareholders, we kindly request you approve the Company's and the Group's Financial Statements and this report for the year from 1 January to 31 December 2010 and deliberate on the other issues set by the General Meeting.

Athens, March 24, 2011

The Chairman of the B.o.D.

MILTADIS LIDORIKIS

Independent Auditors' Report
(Translated from the original in Greek)

To the Shareholders of
ELVAL HELLENIC ALUMINIUM INDUSTRY S.A.

Report on the Financial Statements

We have audited the accompanying stand-alone and consolidated financial statements of ELVAL HELLENIC ALUMINUM INDUSTRY S.A. (the "Company") which comprise the stand-alone and consolidated statement of financial position as of 31 December 2010 and the stand-alone and consolidated statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the stand-alone and consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these stand-alone and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these stand-alone and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the stand-alone and consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the stand-alone and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the stand-alone and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the stand-alone and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the stand-alone and consolidated financial position of ELVAL HELLENIC ALUMINUM INDUSTRY S.A. of 31 December 2010 and of its stand-alone and consolidated financial performance and its stand-alone and consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

- (a) The Board of Directors' Report includes a corporate governance statement, which provides the information set by paragraphs 3d of article 43a and 3e of article 107 of C.L. 2190/1920.
- (b) We verified that the contents of the Board of Directors' Report are consistent and correspond with the accompanying stand-alone and consolidated financial statements within the scope set by articles 37, 43a and 108 of C.L. 2190/1920

Athens, 29 March 2011

KPMG Certified Auditors A.E.

KPMG Certified Auditors A.E
3, Stratigou Tombra Str
153 42 Aghia Paraskevi
Greece
AM SOEL 114

Harry Sirounis, Certified Auditor Accountant
AM SOEL 19071

Annual Financial Statements (Group and Company)
according to International Financial Reporting Standards
for the fiscal year 2010

The Chairman of the
B.o.D.

**MILTIADIS
LIDORIKIS**
Id.C.No N 032204

A Member of the
B.o.D.

**NIKOLAOS
KOUDOUNIS**
Id.C.No AE 012572

The General Manager

**LAMBROS
VAROUCHAS**
Id.C.No. AB 535203

The Finance
Director

**NIKOLAOS
PSIRAKIS**
Id.C.No T 015643

Reg. No. 9239 CLASS A'

ELVAL
HELLENIC ALUMINIUM INDUSTRY S.A.
Societe Anonyme Registration Number 3954/06/B/86/13
2-4 Mesogeion Ave., Athens Tower

Table of contents

Statements of financial position	3
Income statements	4
Statements of comprehensive income	5
Statements of changes in equity	6
Statements of cash flow	7
Notes to annual financial statements	8
1. General Information	8
2. Basis of preparation	8
2.1. Statement of compliance	8
2.2. Basis of measurement	8
2.3. Functional and presentation currency	8
2.4. Use of estimates and judgments	8
2.5. Change in accounting policy	9
2.5.1. Accounting for business combinations	9
2.5.2. Accounting for acquisitions of non-controlling interests	9
3. Significant accounting policies	10
3.1. Basis of consolidation	10
3.2. Foreign currency	10
3.3. Property, plant and equipment	11
3.4. Intangible assets	12
3.5. Investment property	12
3.6. Impairment	12
3.7. Non-derivative financial instruments	12
3.8. Derivatives and hedge accounting	13
3.9. Inventories	14
3.10. Share Capital	14
3.11. Income tax	14
3.12. Employee benefits	15
3.13. Government grants	15
3.14. Provisions	16
3.15. Revenue recognition	16
3.16. Leases	16
3.17. Segment reporting	17
3.18. Earnings per share	17
3.19. New Standards and Interpretations	17
4. Financial risk management	18
5. Determination of fair values	20
6. Operating segments	21
7. Property, plant and equipment	23
8. Investment properties	24
9. Intangible assets	24
10. Investments in subsidiaries	25
11. Investments in associates	26
12. Available-for-sale investments	27
13. Deferred tax	27
14. Inventories	28

15. Trade and Other receivables	28
16. Derivatives	29
17. Cash and cash equivalents	29
18. Share capital	30
19. Reserves	30
20. Loans and liabilities from leasing activities	32
21. Employee benefits	33
22. Government grants	33
23. Trade and other payables	34
24. Provisions	34
25. Expenses	35
26. Finance income / expenses	36
27. Other operating income / (expenses)	36
28. Income tax expense	37
29. Commitments	38
30. Contingent assets / liabilities	38
31. Transactions with related parties	39
32. Earnings per share	39
33. Financial risk management	40
34. Subsequent events	43

I. Statements of financial position

<i>Amounts in Euros</i>	<i>Note</i>	GROUP		COMPANY	
		31/12/2010	31/12/2009	31/12/2010	31/12/2009
ASSETS					
Non-current assets					
Property, plant and equipment	7	510,748,757	512,480,061	288,547,036	293,863,515
Intangible assets	9	3,259,911	2,580,685	2,333,087	1,519,968
Investment properties	8	6,924,331	10,989,192	-	-
Investments in subsidiaries	10	-	-	154,962,040	141,232,033
Investments in associates	11	7,414,082	6,188,024	5,261,934	4,461,678
Available-for-sale investments	12	1,634,990	1,634,990	899,322	899,322
Derivatives	16	531,184	2,811,185	352,330	2,446,446
Other receivables	15	3,740,025	3,811,446	1,595,136	1,647,492
Total non-current assets		534,253,280	540,495,583	453,950,885	446,070,454
Current assets					
Inventories	14	268,985,895	216,516,643	145,237,435	119,359,507
Trade and Other receivables	15	202,755,535	198,981,338	131,736,768	111,588,474
Derivatives	16	10,944,636	11,258,725	8,544,269	10,237,267
Cash on hand and cash equivalents	17	15,633,974	22,130,113	4,085,485	5,605,731
Total current assets		498,320,040	448,886,819	289,603,957	246,790,979
Total assets		1,032,573,320	989,382,402	743,554,842	692,861,433
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	18	37,230,245	37,230,245	37,230,245	37,230,245
Share premium	18	158,760,404	158,760,404	158,760,404	158,760,404
Foreign exchange differences due to consolidation of foreign subsidiaries		(5,838,071)	(6,769,420)	-	-
Fair value reserves	19	4,291,857	3,977,858	3,502,948	4,383,438
Other reserves	19	166,630,776	165,561,830	134,055,038	135,262,123
Retained earnings		156,665,220	151,109,356	153,720,089	143,024,567
Total equity attributable to equity holders of the Company		517,740,431	509,870,273	487,268,724	478,660,777
Non-controlling interests		43,421,376	47,522,432	-	-
Total equity		561,161,807	557,392,705	487,268,724	478,660,777
LIABILITIES					
Long-term liabilities					
Loans	20	139,975,330	121,241,125	80,993,153	65,200,172
Derivatives	16	289,363	314,857	211,879	228,021
Employee benefits	21	9,362,094	8,915,722	6,405,801	6,077,904
Government grants	22	13,309,625	13,021,690	9,544,237	10,203,801
Deferred tax liability	13	46,295,975	44,108,749	30,669,562	29,355,186
Total long-term liabilities		209,232,387	187,602,143	127,824,632	111,065,084
Short-term liabilities					
Trade and other payables	23	97,288,001	93,797,219	48,710,909	47,424,819
Income tax payable	28	2,985,205	1,699,475	27,623	229,544
Loans	20	156,505,800	140,645,198	75,647,378	48,793,200
Liabilities from leasing activities		-	813	-	-
Derivatives	16	5,131,382	8,204,849	4,075,576	6,688,009
Provisions	24	268,738	40,000	-	-
Total short-term liabilities		262,179,126	244,387,554	128,461,486	103,135,572
Total liabilities		471,411,513	431,989,697	256,286,118	214,200,656
Total equity and liabilities		1,032,573,320	989,382,402	743,554,842	692,861,433

The notes on pages 8 to 43 constitute an integral part of these financial statements.

II. Income statements

For the year ended 31 December

<i>Amounts in Euros</i>	<i>Note</i>	GROUP		COMPANY	
		2010	2009	2010	2009
Sales		930,484,322	690,186,277	596,952,449	408,103,534
Cost of sales	25	(853,447,902)	(638,692,953)	(573,914,429)	(399,172,827)
Gross profit		77,036,420	51,493,324	23,038,020	8,930,707
Other operating income	25	11,078,290	10,768,362	2,784,530	3,352,740
Selling and distribution expenses	27	(37,933,878)	(34,708,288)	(4,425,392)	(4,896,448)
Administrative expenses	25	(21,980,372)	(22,794,753)	(10,615,925)	(10,600,890)
Other operating expenses	27	(5,296,267)	(4,186,479)	(87,433)	(91,390)
Operating results		22,904,193	572,166	10,693,800	(3,305,281)
Finance income	26	4,746,239	5,750,379	3,329,460	2,901,375
Finance expense	26	(12,298,203)	(13,943,910)	(5,620,714)	(3,788,360)
Income from dividends	27	118,956	155,788	3,052,189	2,399,359
Net finance costs		(7,433,008)	(8,037,743)	760,935	1,512,374
Share of profit / (loss) from associates	11	1,118,738	(628,565)	-	-
Profit / (loss) before tax		16,589,923	(8,094,142)	11,454,735	(1,792,907)
Income tax expense	28	(9,315,137)	(3,268,123)	(1,966,298)	(563,632)
Profit / (loss) for the year		7,274,786	(11,362,265)	9,488,437	(2,356,539)
Distributed to:					
Equity holders of the Company		8,522,747	(6,439,914)	9,488,437	(2,356,539)
Non-controlling interest		(1,247,961)	(4,922,351)	-	-
		7,274,786	(11,362,265)	9,488,437	(2,356,539)
Earnings per share attributable to the shareholders of the Company for the period (Euros)					
Basic & diluted	32	0,069	(0.052)	0,076	(0.019)
Depreciation and amortization for the period	7, 8 & 9	46,555,941	44,049,875	26,362,828	24,604,028

The notes on pages 8 to 43 constitute an integral part of these financial statements.

III. Statements of comprehensive income

For the year ended 31 December		GROUP		COMPANY	
<i>Amounts in Euros</i>	<i>Note</i>	2010	2009	2010	2009
Profit / (loss) for the year		7,274,786	(11,362,265)	9,488,437	(2,356,539)
Foreign currency translation differences		1,456,917	176,135	-	-
Net change in fair value of cash flow hedges	19	811,960	60,797,643	(1,158,540)	19,038,047
Income tax on other comprehensive income	28	(213,880)	(16,190,287)	278,050	(4,959,010)
Other comprehensive income after taxes		2,054,997	44,783,491	(880,490)	14,079,037
Total comprehensive income for the year		9,329,783	33,421,226	8,607,947	11,722,498
Attributable to:					
Equity holders of the Company		9,905,608	32,633,900	8,607,947	11,722,498
Non-controlling interests		(575,825)	787,326	-	-
Total comprehensive income for the year		9,329,783	33,421,226	8,607,947	11,722,498

The notes on pages 8 to 43 constitute an integral part of these financial statements.

IV. Statements of changes in equity

<i>Amounts in Euros</i>	Share capital <i>(note 18)</i>	Foreign exchange differences	Fair value reserves <i>(note 19)</i>	Other reserves <i>(note 19)</i>	Retained earnings	Total	Non- controlling interest	Total Equity
GROUP								
Balance as of 1 January 2009	195,990,649	(8,670,818)	(38,556,963)	164,779,502	154,623,789	468,166,159	39,478,549	507,644,708
Profit / (loss) for the year	-	-	-	-	(6,439,914)	(6,439,914)	(4,922,351)	(11,362,265)
Foreign currency translation differences	-	1,853,766	(2,027,382)	-	-	(173,617)	349,751	176,135
Valuation of derivatives for cash flow hedges	-	-	39,247,430	-	-	39,247,431	5,359,926	44,607,356
Total comprehensive income for the year	-	1,853,766	37,220,048	-	(6,439,914)	32,633,900	787,326	33,421,226
Change of percentage in subsidiaries	-	-	-	-	(2,553,321)	(2,553,321)	2,496,806	(56,515)
Increase of third party rights	-	47,632	5,314,773	(106,944)	5,314,855	10,570,316	4,769,068	15,339,384
Transfer of reserves	-	-	-	141,768	(141,768)	-	-	-
Dividend	-	-	-	-	-	-	(9,317)	(9,317)
Absorption of subsidiary	-	-	-	747,504	305,715	1,053,219	-	1,053,219
Total transactions with owners	-	47,632	5,314,773	782,328	2,925,481	9,070,214	7,256,557	16,326,771
Balance as of 31 December 2009	195,990,649	(6,769,420)	3,977,858	165,561,830	151,109,356	509,870,273	47,522,432	557,392,705
Balance as of 1 January 2010	195,990,649	(6,769,420)	3,977,858	165,561,830	151,109,356	509,870,273	47,522,432	557,392,705
Profit / (loss) for the year	-	-	-	-	8,522,747	8,522,747	(1,247,961)	7,274,786
Foreign currency translation differences	-	1,064,223	(7,189)	-	-	1,057,034	399,883	1,456,917
Valuation of derivatives for cash flow hedges	-	-	325,827	-	-	325,827	272,253	598,080
Total comprehensive income for the year	-	1,064,223	318,638	-	8,522,747	9,905,608	(575,825)	9,329,783
Change of percentage in subsidiaries	-	(7,566)	(4,639)	1,306,514	(3,200,229)	(1,905,920)	(2,110,081)	(4,016,001)
Increase of share capital	-	-	-	(12,420)	8,198	(4,222)	10,539	6,317
Transfer of reserves	-	-	-	(225,148)	225,148	-	-	-
Dividend	-	(125,308)	-	-	-	(125,308)	(1,425,689)	(1,550,997)
Total transactions with owners	-	(132,874)	(4,639)	1,068,946	(2,966,883)	(2,035,450)	(3,525,231)	(5,560,681)
Balance as of 31 December 2010	195,990,649	(5,838,071)	4,291,857	166,630,776	156,665,220	517,740,431	43,421,376	561,161,807
	Share capital <i>(note 18)</i>	Fair value reserves <i>(note 19)</i>	Other reserves <i>(note 19)</i>	Retained earnings	Total Equity			
COMPANY								
Balance as of 1 January 2009	195,990,649	(9,695,599)	134,514,619	145,075,391	465,885,060			
Profit / (loss) for the year	-	-	-	(2,356,539)	(2,356,539)			
Valuation of derivatives for cash flow hedges	-	14,079,037	-	-	14,079,037			
Total comprehensive income for the year	-	14,079,037	-	(2,356,539)	11,722,498			
Absorption of subsidiary	-	-	747,504	305,715	1,053,219			
Total transactions with owners	-	-	747,504	305,715	1,053,219			
Balance as of 31 December 2009	195,990,649	4,383,438	135,262,123	143,024,567	478,660,777			
Balance as of 1 January 2010	195,990,649	4,383,438	135,262,123	143,024,567	478,660,777			
Profit / (loss) for the year	-	-	-	9,488,437	9,488,437			
Valuation of derivatives for cash flow hedges	-	(880,490)	-	-	(880,490)			
Total comprehensive income for the year	-	(880,490)	-	9,488,437	8,607,947			
Transfer of reserves	-	-	(1,207,085)	1,207,085	-			
Total transactions with owners	-	-	(1,207,085)	1,207,085	-			
Balance as of 31 December 2010	195,990,649	3,502,948	134,055,038	153,720,089	487,268,724			

The notes on pages 8 to 43 constitute an integral part of these financial statements.

V. Statements of cash flow

For the year ended 31 December		GROUP		COMPANY	
<i>Amounts in Euros</i>	<i>Note</i>	2010	2009	2010	2009
Operating activities					
Profit / (loss) for the year		16,589,923	(8,094,142)	11,454,735	(1,792,907)
<u>Adjustments for:</u>					
Depreciation of plant and equipments	7	44,949,836	42,849,284	25,516,698	24,031,445
Amortization of intangible assets	9	1,157,836	898,989	846,130	572,583
Depreciation of investment property	8	448,270	301,602	-	-
Amortization of government grants	22	(1,020,467)	(1,087,420)	(659,564)	(632,518)
Impairment of property, plant and equipment		-	8,820	-	-
Results from investing activities		(8,611,476)	(3,480,730)	(6,386,128)	(5,003,347)
Finance expense and related expenses	26	10,808,803	9,022,655	5,620,714	3,788,360
Results from hedging		-	(1,371,600)	-	(1,371,600)
Provisions for impairments of inventories		266,569	(17,803,114)	-	(12,760,797)
Provisions for impairments of trade and other receivables		7,433,246	4,998,029	91,441	266,428
Other provisions		675,110	(1,255,241)	327,897	(123,148)
Change in inventories		(52,067,033)	23,017,332	(25,877,928)	3,820,531
Change in trade and other receivables		(11,136,017)	24,217,565	(20,194,380)	22,353,586
Change in trade and other payables (except liabilities in banks)		4,041,311	6,729,695	633,718	12,028,885
Interest paid		(11,790,731)	(12,599,514)	(5,194,151)	(4,748,782)
Income tax paid		(4,396,308)	(1,569,179)	(201,921)	(321,177)
Net cash flows from / (used in) operating activities		(2,651,128)	64,783,031	(14,022,739)	40,107,542
Investing activities					
Acquisition of subsidiaries, associates and other investments		(4,816,257)	(286,169)	(14,530,263)	(10,352,522)
Receive from capital decrease of available for sale investments		-	117	-	117
Purchase of property, plant and equipment	7	(44,104,838)	(50,043,505)	(21,793,633)	(20,750,690)
Purchase of intangible assets	9	(296,109)	(571,434)	(111,276)	(257,593)
Proceeds from sale of property, plant and equipment	7	633,098	1,130,562	49,921	187,134
Sales of investment property	8	6,718,565	-	-	-
Interest received		3,757,547	4,216,587	3,329,460	2,901,375
Absorption of cash of subsidiary		-	-	-	631
Dividends received		118,956	155,788	2,911,255	2,162,129
Net cash flows from / (used in) investing activities		(37,989,038)	(45,398,054)	(30,144,536)	(26,109,419)
Financing activities					
Proceeds from increase of third party rights		-	15,339,384	-	-
Proceeds from borrowings		100,015,636	77,887,729	59,000,000	28,786,564
Repayment of borrowings		(76,335,416)	(113,006,244)	(31,394,666)	(60,371,400)
Net change in short-term loans		10,382,655	5,843,049	15,041,825	17,656,393
Payment of finance lease liabilities		(813)	(3,337)	-	-
Proceeds from government grants	22	1,308,402	4,202,896	-	3,855,810
Dividends paid		(1,425,819)	(9,425)	(130)	(108)
Net cash flows from / (used in) financing activities		33,944,645	(9,745,948)	42,647,029	(10,072,741)
Net (decrease) / increase in cash on hand and cash equivalents		(6,695,521)	9,639,029	(1,520,246)	3,925,382
Cash and cash equivalents at the beginning of year	17	22,130,113	12,325,295	5,605,731	1,680,349
Exchange differences on cash and cash equivalents		199,382	165,789	-	-
Cash and cash equivalents at the end of year		15,633,974	22,130,113	4,085,485	5,605,731

The notes on pages 8 to 43 constitute an integral part of these financial statements.

VI. Notes to annual financial statements

1. General Information

The financial statements presented here include the corporate financial statement of ELVAL S.A. HELLENIC ALUMINIUM INDUSTRY (the “Company”) and the consolidated financial statements of the Company and its subsidiaries (together the “Group”). The names of the Company’s subsidiaries are presented in Note 10 of the annual financial statements.

The Group is active in rolling and extrusion of aluminium products, in Greece, Great Britain and Bulgaria (through ETEM S.A.) and promotes its products international, primarily to the European Union, the United States of America and the Far East.

The Company is seated in Greece, 2-4 Mesogheion Ave. Athens and its main facilities are located at the 57th kilometre of the Athens-Lamia National Road, Inofita, Viotia. Company’s electronic address is www.elval.gr.

Company’s shares are listed on the Athens Stock Exchange. ELVAL is subsidiary of VIOHALCO.

The present financial statements are subject to the approval of the Company’s Ordinary General Meeting that is expected to convene on June 15, 2011.

2. Basis of preparation

2.1. Statement of compliance

Company’s and Group’s annual financial statements included herein (the “Financial statements”) concern the fiscal year that ended on 31 December 2010 and have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union. The International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) may vary from those adopted by the European Union.

The financial Statements have been approved from the Board of Directors of the Company on March 24, 2011.

2.2. Basis of measurement

These financial statements have been prepared on the historical cost basis except the derivative financial instruments.

2.3. Functional and presentation currency

These financial statements are presented in euro, which is the Company’s functional and presentation currency. All financial information presented in euro has been rounded to the nearest unit.

2.4. Use of estimates and judgments

The preparation of the Group’s financial statements in accordance with the IFRS requires management to make judgments, estimations and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may eventually differ from these estimates.

The management’s estimations and judgements are reviewed on an ongoing basis and are based on historical figures and expectations of future events, which are deemed fair pursuant to current market prices.

Estimations and judgements that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities in the following 12 months concern:

(a) Income tax

The companies of the Group are subject to different legislations of income tax. In order to define the provision of the Group for income taxes a substantial concept of the above is required. Upon the normal flow of the business a lot of transactions and estimates take place for which the exact estimation of the tax is uncertain. In the event that the final taxes arising after the tax audits are different than the amounts that were initially recorded, these differences will affect the income tax and the provisions for deferred taxes in the fiscal year that the determination of the tax differences took place.

(b) Inventory

The Group estimates the valuation of the inventory at the lower of cost and net realizable value. The net realizable value may be different related to the one estimated upon the preparation of financial statements.

VI. Notes to annual financial statements

2. Basis of preparation (continued)

2.4 Use of estimates and judgments (continued)

(c) Assets not measured on fair values

The Group makes estimates about the valuation of the assets that are not measured at fair value (Investments in subsidiaries and associates; Property, plant and equipment; Intangible assets; Investment property) for indications of impairment. Especially regarding property, plant and equipment, the Group evaluates the recoverability thereof based on the value in use of the cash generating unit under which such assets fall. The calculated value in use is based on a five-year business plan prepared by the Management and, thus, it is sensitive to the verification or not of expectations relating to the attainment of sales objectives, gross margin percentages, operating results, growth rates and discount rates of the estimated cash flows.

(d) Provisions

The provisions are estimated in the present value of the expenses which based on the best evaluation of management, they are required to cover the current liabilities on the balance sheet date. The rate of discount used for the determination of the current value reflecting the current market estimates for the time value of the money and increases regarding the specific liability.

2.5. Change in accounting policy

2.5.1. Accounting for business combinations

From 1 January 2010 the Group has applied '*IFRS 3 Business Combinations*' in accounting for business combinations. The change in accounting policy has been applied prospectively and has had no material impact on earnings per share.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

Acquisitions on or after 1 January 2010

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; less
- the fair value of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit and loss. Costs related to the acquisition that the Group incurs in connection with a business combination are recognised immediately in profit and loss. Any contingent consideration payable is recognised at fair value at the acquisition date.

Acquisitions prior to 1 January 2010

For acquisitions between 1 January 2004 and 1 January 2010, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit and loss. Transaction costs that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

2.5.2. Accounting for acquisitions of non-controlling interests

From 1 January 2010 the Group has applied '*IAS 27 Consolidated and Separate Financial Statements*' in accounting for acquisitions of non-controlling interests. The change in accounting policy has been applied prospectively and has had no impact on earnings per share.

Under the new accounting policy, acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognized as a result of such transactions. As regards the change of non-controlling interests in entities over which control is already exists, the accounting treatment applied by the Group until December 31, 2009 is the same with the treatment of the revised Standard and, thus, in essence there is no change of accounting policy. As for the change non-controlling interests that took place during the year, please see note 10.

VI. Notes to annual financial statements

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

3.1 Basis of consolidation

(a) Investments in subsidiaries

Subsidiaries are entities that the Group, directly or indirectly, controls their financial and operating policies. Subsidiary companies are fully consolidated from the day control over them is acquired and cease to be consolidated from the day this control is no longer exist.

The accounting principles that are applied by Group's subsidiaries have been amended so that they may be consistent with those that have been adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. In its financial statements, the Company measures holdings in subsidiaries at their acquisition cost less any impairment of their value.

(b) Business combinations

The Group has changed its accounting policy with respect to accounting for business combinations. See note 2.5.1 for further details.

(c) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an investment in an associate or as an available-for-sale financial asset depending on the level of influence retained.

(d) Investments in associates

Associated companies are companies over which the Group exercises significant influence, but not control, which, in general, applies when the holding percentage in the voting rights ranges between 20% and 50%. Investments in associates are accounted for using the equity method and recognised initially at their acquisition cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. When the Group's share of losses exceeds its interest in an investment in associate the carrying amount of that interest is reduced to zero and no recognition of further losses are recognized except to the extent that the Group has an obligation or has made payments on behalf of the associate.

In the Company's financial statements, investments in associates are recorded at cost, less accumulated impairments.

(e) Transactions eliminated in consolidation

Inter-company transactions, balances and non-realised profits from transactions between Group companies are eliminated in preparing the consolidated financial statements. The same applies to non-realised losses, unless there are indications that the value of the fixed asset that was transferred has been impaired.

3.2. Foreign currency

(a) Transactions and balances

Transactions that are carried out in a foreign currency are converted to the Company's functional currency based on the exchange rate that is applicable on the day the transaction is carried out. Profits and losses from foreign exchange differences that arise from the settlement of such transactions during the period and from the conversion of monetary assets that are expressed in a foreign currency based on the exchange rate that is applicable on the balance sheet date are recorded in profit and loss.

VI. Notes to annual financial statements

3. Significant accounting policies (continued)

3.2. Foreign currency (continued)

(b) Group Companies

The figures recorded in the financial statements of the Group companies (none of which as of 31 December 2008 operate in a hyperinflation economy) that are expressed in a different functional currency from the Group's presentation currency, are converted as follows:

- Assets and liabilities, including goodwill and fair value adjustments arising on acquisition, are converted based on the exchange rates that are applicable on the balance sheet date,
- Income and expenses are converted based on the period's average exchange rates unless the average exchange rate is not a reasonable estimation of the accumulated affect of the exchange rates that were applicable on the day on which the transactions were carried out, in which case, income and expenses are converted based on the actual exchange rates that were applicable on the day on which the transactions were carried out and
- Any foreign exchange difference that may arise is recorded in an equity reserve named "Foreign exchange differences due to consolidation" and transferred to profit and loss when these companies are sold.

3.3. Property, plant and equipment

(a) Recognition and measurement

Items in property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The acquisition cost includes all the expenses that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use and capitalised borrowing costs.

Further expenditures that executed after a purchase of an item of property plant and equipment are recognized in the carrying amount of the item or as a separate item of property plant and equipment only if there is a possibility that future economic benefits shall flow to the Group and only if the cost of the new item can be measured reliably. Repair and maintenance costs are recognized in profit and loss when these are incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in 'other operating income' or 'other operating expenses' in profit and loss.

(b) Depreciation

Land is not depreciated. Depreciation is recognized in profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, which are set as follows:

- Buildings	10-20	years
- Machinery	2-25	years
- Motor vehicles	4-6	years
- Other equipment	5-7	years

The residual values and useful lives are reviewed at each reporting date if this is necessary.

VI. Notes to annual financial statements

3. Significant accounting policies (continued)

3.4. Intangible assets

Intangible assets that are acquired separately are recognized at their acquisition cost while intangible assets that are acquired through business acquisitions are recognized at their fair value on the date of acquisition. They are subsequently measured at this amount less accumulated amortisation and any possible accumulated impairment. Intangible assets may have either a definite or indefinite useful life. The cost of intangible assets that have a definite useful life are amortized during the period of their estimated useful life with the straight line method. Intangible assets are amortized from the date on which they become available. Intangible assets with an indefinite useful life are not amortized but are periodically subject (at least annually) to an impairment test of their value based on the provisions of IAS 36 *'Impairment of Assets'*. Residual values are not recognized. The useful life of intangible assets is evaluated on an annual basis.

Software licenses are estimated at their acquisition cost less accumulated amortisation and accumulated impairment losses. These assets are amortized on a straight-line basis over the estimated useful lives, which ranges between 3 to 4 years. Expenditures that are required for the development and maintenance of software programs are recognised as an expense when these programs are developed.

3.5. Investment property

Investment properties related to lands and buildings which are not used from the Group for own use. Lands are measured at their cost less any impairments and buildings are depreciated on a straight-line basis over their estimated useful lives.

3.6. Impairment

Group's assets not measured at fair value, are reviewed for impairment when there are indications that their carrying amounts will not be recovered. In this case, the asset's recoverable amount is estimated and if its carrying amount exceeds the estimated recoverable amount, an impairment loss is recognized, which is recorded directly in the profit and loss. The recoverable amount of an asset is the greater of its value in use and its fair value less cost to sell.

Assets that have indefinite lives are not depreciated but are subject to an impairment test on an annual basis and when certain facts indicate that their carrying amounts may not be recovered. Assets that are depreciated are assessed for impairment when there are indications that their carrying amounts will not be recovered.

If an impairment loss is recognized, on each reporting date the Group examines if the conditions that led to the recognition thereof continue to exist. In this case, the asset's recoverable value is re-determined and the impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have determined, net of depreciation and amortization, if no impairment loss had recognized.

3.7. Non-derivative financial instruments

Non-derivative financial instruments consist of trade and other receivables, investments in securities and bonds, cash and cash equivalents, loans and trade and other payables. The classification of the above instruments is based on the purpose for which they were acquired. The Management decides on the classification at the time the asset was initially recognised and re-examines its classification on every reporting date.

(a) Trade and other receivables

Receivables from customers are initially recorded at their fair values and subsequently measured at their amortized cost using the effective interest method, less any impairment losses. Impairment losses are recognised when there is an objective indication that the Group is not in a position to collect all the amounts that are due, pursuant to relative contractual terms. The impairment loss is equal to the difference between the carrying amount of the receivables and the present value of the estimated future cash flows, discounted with the effective interest rate. The impairment loss is recorded in profit and loss.

VI. Notes to annual financial statements

3. Significant accounting policies (continued)

3.7. Non-derivative financial instruments (continued)

(b) Available-for-sale financial assets

Includes non-derivative financial assets that are specifically attributed to this sub-category or cannot be classified as held-to-maturity or as fair value item through profit and loss. The purchase and sale of an investment is recognized on the day the transaction is carried out, which is also the day on which the Group is committed to purchase or sell the asset. Investments are initially recorded at their fair value plus any expense associated with the transaction. Available-for-sale financial assets are subsequently measured at fair value and the relevant gains or losses are recognised in "Fair value reserve" account in owners' equity until they are sold or impaired. The fair value of those items traded on an active market corresponds to the closing price. As for other items for which fair value cannot be reliably determined, fair value corresponds to acquisition cost. Impairment loss is recognized through transfer of the accumulated loss from reserves to operating results. The accumulated loss that is transferred is the difference between the acquisition cost after depreciation through the effective interest rate and the current fair value less the impairment already posted to prior-period results. Impairment losses that have been recognized in the results cannot be reversed through profit or loss for these financial assets.

(c) Cash and cash equivalents

Cash on hand and equivalent cash accounts include cash on hand, sight deposits, short-term (up to 3 months) high-liquid and low-risk investments.

(d) Loans and borrowings

Loans are initially recorded at their fair value, decreased by any possible direct expenses that are required in order to complete the transaction. They are subsequently measured at their amortized cost using the effective interest rate method. Any difference between the amount that has been collected (net of relative expenses) and the settlement value is recorded in profit and loss during the period of the loan based on the effective interest rate method.

3.8. Derivatives and hedge accounting

The Group holds derivative financial instruments for cash flow hedge. Derivatives include futures to hedge the financial risk from the change of the stock exchange price of the aluminum, as well as of the parity of USDollar or the British Pound and interest rate swaps to hedge the risk of future cash flows of the Group from the variation of interest rates.

The results from the liquidated acts of hedging are recognized in profit and loss when effected (difference of interest on interest rate swaps and stock exchange results in aluminum and foreign currency).

The Group in regular basis, examines the effectiveness of the cash flow hedge, on a business and an accounting basis, and in every reporting date records in 'Equity' the result of the valuation of the open positions to the part that valuation is effective.

Derivatives are recognised at fair value both initially and subsequently. The method by which profits and losses are recognised depends on whether derivatives are designated as a hedging instrument or are held for trading. Derivatives are recognised when the transaction is entered into by the Group as hedges for the fair value of receivables, liabilities or commitments (fair value hedges) or very probable transactions (cash flow hedges).

(a) Fair value hedge

Changes in the fair value of derivatives which are defined as fair value hedges are posted to the results as are the changes in the fair value of the hedged assets which are attributed to the risk offset

VI. Notes to annual financial statements

3. Significant accounting policies (continued)

3.8. Derivatives and hedge accounting (continued)

(b) Cash flow hedge

The effective proportion of change in the fair value of derivatives defined as cash flow change hedges are recorded to an equity reserve. The gain or loss on the non-effective proportion is recorded to the Income Statement. The amounts accounted as an equity reserve are carried forward to the results of the periods where the hedged items affect profits or losses.

When a hedge item matures or is sold or when the hedging proportion no longer meets the hedge accounting criteria, the profits and losses accrued to 'Equity' remain as a reserve and are carried forward to the results when the hedged asset affects profits or losses. In the case of a hedge on a forecast future transaction which is no longer expected to be realized, the profits or losses accrued to Equity are carried forward to profit and loss

3.9. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the annual average weighted cost method and includes production and conversion costs and other costs incurred in bringing them to their existing location and condition. Financial expenses are not included to the cost of inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.10. Share Capital

Ordinary shares are classified as equity.

Expenses that are directly associated with the issuance of shares capital, after the deduction of the relative income tax, appeal as a reduction of equity. Expenses that are directly associated with the issuance of shares for the acquisition of a company are included in the acquisition cost of the company that is acquired.

3.11. Income tax

The income tax of the year includes both current and deferred tax. Income tax is calculating according the tax legislation and tax rates applied in the countries the Group operates and is recorded in profit and loss unless it concerns amounts that are directly recorded in Equity, in which case it is recorded in 'Equity'.

Current income tax is the tax expected to be paid on the taxable income for the year, based on tax rates on the balance sheet date and any adjustment to prior-period payable tax.

Deferred income tax is recognized using the balance sheet method that arises from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is not accounted for if it derives from the initial recognition of an asset or liability item in a transaction that is not a business combination, which when the transaction took place, affected neither the accounting nor the taxation profit or loss. Deferred income tax is determined based on the tax rates that are applicable on the balance sheet date.

Deferred tax claims are recognised to the extent that a future taxable profit will arise from the use of the temporary difference that creates the deferred tax claim.

Deferred income tax is recognised for the temporary differences that arise from investments in subsidiaries and related companies, with the exception of the case in which inversion of temporary differences is controlled by the Group and it is possible that the temporary differences will not invert in the foreseeable future.

VI. Notes to annual financial statements

3. Significant accounting policies (continued)

3.12. Employee benefits

(a) Short term fringe benefits

Short-term personnel fringe benefits in the form of cash or in kind are recorded as an expense when these accrue.

(b) Defined contribution plans

The defined contribution plan is a program whereby the Company pays a determined amount to a third party legal entity without any other obligation for the period following the termination of employment of personnel. The duties towards benefits in defined contribution plan are registered as an expense in the profit and loss during their year of realization.

(c) Defined benefit plans

The established benefits plans are any other pension plan apart from the defined contribution plan. The liability that is recorded in the Statement of Financial Position with regard to defined benefit plan is the present value of the commitment for the benefit less the fair value of the plan's assets, the changes that arise from non-recognised actuarial profits and losses and the cost of past service. The commitment of the defined benefit is calculated by an independent actuary with the projected unit credit method. The discount rate concern European bonds «I Boxx AA-rated Euro corporate bond 10+year» Actuarial profits and losses that arise from adjustments on the basis of historic data and are above or below the margin of 10% of the accumulated liability are recorded in the results within the expected average insurance term of the plan's participants. The cost of past service is recorded directly in the results, with the exception of the case in which changes to the plan depend on the remaining term of the employee's past service. In this case, the cost of past service is recorded in the results based on the fixed method within the maturing

(d) Employment fringe termination benefits

Employment termination fringe benefits are paid when employees decide to retire prior to their respective date of retirement. The Group records these fringe benefits when it is bound, or when it terminates the employment of existing employees based on a detailed schedule for which there is no possibility of withdrawal or when it offers these fringe benefits as an incentive for voluntary retirement. Employment termination fringe benefits that are due in 12 months after the balance sheet date are discounted. In the case of employment termination in which the Group is not able to determine the number of employees who will take advantage of this incentive, these fringe benefits are not accounted for but are recorded as a potential liability.

(e) Profit sharing plans

The Group records a liability and a corresponding expense for profit sharing. This amount is included in post-tax profits less any reserves stipulated by law.

3.13. Government grants

Government grants are recognised at their fair value when it is certain that the grant will be received and that the Group will comply with all stipulated terms.

Government grants that concern operating expenses are recognised in profit and loss so that these will match the expenses that they will cover.

Government grants regarding the purchase of property, plant and equipment are presented in 'Long-term liabilities' as deferred income and are transferred as income to the profit and loss based on a straight-line basis over the expected useful lives of the assets.

VI. Notes to annual financial statements

3. Significant accounting policies (continued)

3.14. Provisions

Provisions are recognised when:

- (a) There is a present legal or inferred commitment as a result of past events
- (b) Outflow of funds may be demanded for the commitment's settlement
- (c) The amount may be reasonably estimated

Provisions are calculated at the present value of expenses that, based on the Management's best possible estimation, are required to cover the present liability on the reporting date. The discount rate that is used in determining the present value reflects the current market estimations for the temporal value of money and increases that concern the specific liability. Contingent assets and liabilities are not recognized in the financial statements.

3.15. Revenue recognition

Revenue includes the fair value of the sale of goods and services, net of Value Added Tax, discounts and returns. Inter-company revenues within the Group are fully eliminated. Revenue is recognised as follows:

- (a) Sale of goods

Revenue from the sales of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of consideration is probable and the associated costs and possible return of goods can be estimated reliably. The returns of money are accounted for at each reporting date as reduction of sales.

- (b) Services

Revenue from services is accounted for in the period in which the services are rendered, based on their stage of completion with relation to services provided overall

- (c) Interest income

Interest income is recognized when interest is rendered accrued with the use of the effective interest rate method.

- (d) Dividends

Dividend income is recognized in profit and loss, on the date that the Group's right to receive payment has been established upon their approval of their distribution.

3.16. Leases

Leases of property, plant and equipment, in which the Group substantially maintains all the risks and benefits of ownership, are classified as financial leasing. Financial leasing is capitalised from the moment the lease begins at the lower amount between the fixed asset's fair value and the present value of the minimum lease payments. Financial leases net of financial expenses are classified on 'Liabilities'. The part of financial expenses that concerns financial leasing is recorded in profit and loss during the term of the lease. Items of property, plant and equipment that were acquired through financial leasing are depreciated over the shorter period between the useful lives thereof and the term of their lease.

Leases, in which the lessor substantially maintains all the risks and benefits of ownership, are classified as operating leases. Payments that are made with regard to operating leases are recognised in profit and loss proportionately during the term of the lease.

VI. Notes to annual financial statements

3. Significant accounting policies (continued)

3.17. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker which is considered to be the Board of Directors that is responsible for measuring the business performance of the segments.

3.18. Earnings per share

Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders of the company, by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are determined by the revision of the earnings or losses which correspond to the ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all potential ordinary shares, which comprise convertible notes and share options granted to the personnel.

3.19. New Standards and Interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2010, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except for IFRS 9 *Financial Instruments*, which becomes mandatory for the Group's 2013 consolidated financial statements and could change the classification and measurement of financial assets. The Group does not plan to adopt this standard early and the extent of the impact has not been determined.

VI. Notes to annual financial statements

4. Financial risk management

This note provides information regarding the exposure of the Group to each of the above risks, the goals of the Group, its risk assessment and management policies and procedures, as well as the Group's capital management. More quantitative information on these notifications is included throughout the Financial Statements.

The Group's risk management policies are implemented in order to identify and analyse risks faced by the Group as well as set risk-taking limits and implement controls thereon. Risk management policies and related systems are periodically monitored, in order to ensure that they incorporate the changes in market conditions and in the Group's activities.

The Internal Audit department is responsible for monitoring compliance with risk management policies and procedures. The department carries out regular as well as special audits in order to ascertain compliance with proper procedures and its findings are communicated to the Board of Directors.

(a) Credit risk

Credit risk is the risk of loss for the Group in the case a customer or third party in a financial instrument transaction, does not fulfil his contractual obligations and is mainly related to the receivables from customers and to investments in securities.

i. Customers and other receivables

The Group's exposure to credit risk is mainly affected by the characteristics of each customer. The demographic characteristics of the Group's client base, including the risk of default payments that characterizes the specific market and the country where customers operate in, affect credit risk less as there is no geographic concentration of credit risk. Until the separation to aluminum foil production branch to SYMETAL SA., no customer exceeded 10% of the period's total sales, while no customer exceeded 10% of the open balances of customers. Therefore the commercial risk is divided to a large number of customers. Customer SYMETAL SA. exceeds 10% of the period's total sales and 10% of the open balances of customers but its customer base is extensive and there is no final customer in Group level that exceeds 10% of period's total sales and 10% of the open balance.

The Board of Directors has established a credit policy, according to which each new customer is examined on an individual basis for his credit ability before the ordinary payment terms are proposed to such. The examination of credit ability performed by the Group includes the examination of bank resources and other third party resources for credit rating, if available. Credit lines are defined for each customer, and are re-examined according to the current conditions, while if necessary the sales and payment terms are readjusted. The credit lines of customers are mainly defined according to the insurance limit received for them from insurance companies and following the receivables are insured according to such limits.

During the monitoring of customer credit risk, customers are grouped according to their credit characteristics, the maturity characteristics of their receivables and any possibly prior payment problems displayed. Customers and other receivables mainly include wholesale customers of the Group. Customers characterized as "high risk" are placed in a special customer statement and future sales must be pre-collected and approved by the Board of Directors. According to the customer's history and capacity, in order to secure its receivables, the Group requests real guarantees or collateral (i.e. letters of guarantee), when possible.

The Group registers an impairment provision, which represents its estimation for losses regarding its customers, other receivables and investments in securities. This provision is mainly comprised of impairment losses of specific receivables that it is estimated (based on the given conditions) that they will be realized but have not yet been finalized.

VI. Notes to annual financial statements

4. Financial risk management (continued)

ii. Investments

Investments are classified by the Group according to the purpose for which they were acquired. The Management decides on the proper classification of the investment when such is initiated and re-examines the classification at each balance sheet date.

iii. Guarantees

The Group has a policy not to provide financial guarantees, except for by exception, guarantees to subsidiaries or affiliated companies following a decision by the Board of Directors.

(b) Liquidity risk

Liquidity risk is the risk that the Group would be unable to fulfill its financial obligations when they fall due. The approach adopted by the Group for the liquidity management is to secure, through holding the minimum necessary cash and sufficient credit limits from cooperating banks, that will always have enough liquidity in order to fulfill its financial liabilities when those become due, under normal as well as difficult conditions, without sustaining non-acceptable losses or risking the Group's reputation.

In order to avoid liquidity risks, the Group realizes a cash flow provision for a period of one year during the preparation of the annual budget, and a monthly rolling three-month provision in order to secure that it has adequate cash equivalents to cover its operating needs, including covering its financial liabilities. This policy does not take into account the relevant effect from extreme conditions that cannot be forecasted.

(c) Market risk

Market risk corresponds to risk from changes in the prices of raw materials, foreign exchange rates and interest rates that affect the Group's results or the value of its financial instruments. The aim of market condition risk management is to control the Group's exposure to such risks in the context of acceptable parameters, by optimizing performance at the same time.

The Group realizes transaction on financial derivatives in order to hedge part of the risk from market conditions.

i. Risk from Fluctuation of Prices of Metal Raw Materials (aluminium)

The Group bases both its purchases and its sales on market prices/indices for the price of aluminium it uses and that are included in its products. The risk from the fluctuation of metal prices is covered with hedging (futures contracts on the London Metal Exchange – LME). However the Group does not cover its entire basic operational stock with hedging and as a result a possible decrease in metal prices may negatively affect its results through the devaluation of stocks.

ii. Foreign exchange risk

The Group is exposed to foreign exchange risk in its sales and purchases and in loans that have been issued in currencies other than the operating currency of the Group's companies, which is principally the Euro. Currencies in which such transactions take place is mainly the Euro, USD, GBP.

Throughout time, the Group hedges the largest part of its estimated exposure to foreign currency in relation to estimated sales and purchases, as well as its receivables and liabilities in foreign currency. The Group mainly takes position into foreign exchange futures contracts with external third parties to face risk from changes in exchange rates. Such contracts mainly expire in less than one year from the balance sheet date. When deemed necessary, the contracts are renewed at their maturity. In some cases foreign exchange risk may be covered also with loans in the respective currencies.

The loan interest is in the same currency as that used in the cash flows, which arise from the Group's operating activities, mainly the Euro.

The Group's investments in other subsidiaries are not hedged, as such foreign exchange positions are considered long-term.

VI. Notes to annual financial statements

4. Financial risk management (continued)

iii. Interest rate risk

The Group finances its investments as well as its needs in working capital through bank debt and corporate bond loans, and as a consequence its results are charged with interest expense. Increasing trends in interest rates will have a negative effect on results as the Group will be charged with additional borrowing costs.

Interest rate risk is contained as part of the group's loans are with fixed interest rates, either directly or through the use of financial instruments (interest rate swaps).

(d) Capital management

The policy of the Board of Directors corresponds to maintaining a powerful capital base, in order to maintain trust in the Group from investors, creditors and the market and to allow the future development of the Group's activities. The Board of Directors monitors the return on capital, which is defined by the Group as the net results divided with the total equity, excluding non-controlling interest. The Board of Directors also monitors the level of dividends to shareholders of common shares.

The Board of Directors tries to maintain a balance between the highest returns that would be plausible with higher debt levels and the advantages and security that would be provided by a powerful and healthy capital position.

The Group does not have a specific plan for purchase of own shares.

There were no changes in the approach adopted by the Group as regards to capital management during the period.

5. Determination of fair values

The fair values of financial assets that are traded in active markets (e.g. derivatives, shares, bonds, mutual funds) are set according to the market prices that are valid on the balance sheet date.

The fair values of financial assets that are not traded in active markets are estimated through the use of evaluation techniques and standards based on market data on the reporting date.

The carrying amount of receivables from customers less provisions for doubtful commercial claims is deemed to approximate its fair value.

The fair value of financial liabilities, for the purpose of being recorded in financial statements, are estimated based on the present value of the future cash flows that arise from specific contracts using the effective interest rate that is available for the Group for the use of similar financial instruments.

VI. Notes to annual financial statements

6. Operating segments

For management purposes the Group is organized into divisions and business units based on the production of aluminium products. The Group has three reportable operating segments that generate revenues. The third reportable segment has been formed by the aggregation of operating segments. Therefore, the Group reportable operating segments are summarized as follows:

- **Rolling segment** which produces and sells aluminium strips, aluminium coils, aluminium sheets and foil.
- **Extrusion segment** which produces and sells architectural systems, industrial profiles and composite panels.
- **Segment “Other”** which consists of the following operating segments: a) *Aluminium and paper products segment*, which produces combined aluminium and paper products b) *Aluminium formation segment*, which focuses on the formation of aluminium strips used in the construction of door and window roller shutters in buildings c) *Metal processing and recycling* d) *Advisory services* in sale of aluminium products and e) *Other services*.

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating results which in certain respects, as explained in the table below, is measured differently from operating results in the consolidated financial statements.

Transactions between operating segments occur in the normal course of business in a manner similar to transactions with related parties.

The following table present sales, results, assets and liabilities of Group’s operating segments for the year ended December 31, 2009:

December 31, 2009 – amounts in €	Rolling	Extrusion	Other	Eliminations and adjustments		Group
Sales to third parties	548,732,198	98,747,276	42,706,803	-		690,186,277
Inter-segment	118,993,681	4,577,925	4,433,627	(128,005,233)	<i>1</i>	-
Total sales	667,725,879	103,325,201	47,140,430	(128,005,233)		690,186,277
Operating results	2,916,413	(6,076,171)	991,824	2,740,100	<i>2</i>	572,166
Share of profit / (loss) of associates and dividend income	(394,893)	(79,664)	1,780	-		(472,777) <i>3</i>
Finance income	5,190,577	515,303	71,293	(26,794)	<i>4</i>	5,750,379
Finance expense	(7,876,257)	(5,835,637)	(258,810)	26,794	<i>4</i>	(13,943,910)
Depreciation and amortization	34,810,222	7,105,757	2,133,896	-		44,049,875
Income tax expense	(1,654,245)	(1,043,008)	(570,870)	-		(3,268,123)
Capitalization expenses	40,487,165	9,164,871	962,903	-		50,614,939 <i>5</i>
Segment assets	727,953,537	198,487,965	56,752,875	6,188,024	<i>6</i>	989,382,402
Segment liabilities	272,761,108	136,314,709	22,913,880	-		431,989,697

1 Total inter-segment eliminations.

2 Operating results does not include inter-segment eliminations and adjustments amounted to €2,740,100.

3 The share of profit / (loss) of associates and dividend income constitutes of share of loss from associates amounted to €(628,565) and dividend income from other investments amounted to €155,788.

4 Inter-segment eliminations of finance income / (expense).

5 Capitalization expenses include purchases of property, plant and equipment and purchases of intangible assets.

6 Segment assets does not include investments in associates amount to €6,188,024 which are monitored in Group level.

The following table present sales to third parties and non-current assets based on geographical location, the year ended December 31, 2009:

Information for geographical sectors- amounts in €	Sales to third parties	Non-current assets
Greece	114,044,016	507,253,992
European Union	428,856,582	24,983,970
Other European countries	33,465,973	-
Asia	50,500,771	-
America	54,614,673	-
Africa	4,755,357	-
Oceania	3,948,905	-
Total	690,186,277	532,237,962

Non-current assets consist of property, plant and equipment, intangible assets, investment properties and investments in associates.

VI. Notes to annual financial statements

6. Operating segments (continued)

The following table present sales, results, assets and liabilities of Group's operating segments for the year ended December 31, 2010:

December 31, 2009 – amounts in €	Rolling	Extrusion	Other	Eliminations and adjustments		Group
Sales to third parties	776,565,147	108,665,548	45,253,627	-		930,484,322
Inter-segment	170,073,313	2,092,086	6,825,968	(178,991,367)	<i>1</i>	-
Total sales	946,638,460	110,757,634	52,079,595	(178,991,367)		930,484,322
Operating results	32,146,120	(9,596,898)	882,236	(527,265)	<i>2</i>	22,904,193
Share of profit / (loss) of associates and dividend income	1,119,047	118,647	-	-		1,237,694 <i>3</i>
Finance income	3,552,680	1,175,953	41,141	(23,535)	<i>4</i>	4,746,239
Finance expense	(7,073,785)	(4,813,245)	(434,708)	23,535	<i>4</i>	(12,298,203)
Depreciation and amortization	37,429,454	6,661,467	2,465,021	-		46,555,942
Income tax expense	(7,609,759)	(193,455)	(1,511,923)	-		(9,315,137)
Capitalization expenses	34,097,951	9,874,952	428,044	-		44,400,947 <i>5</i>
Segment assets	771,939,922	170,892,913	82,338,394	7,402,091	<i>6</i>	1,032,573,320
Segment liabilities	333,545,596	117,886,332	19,979,585	-		471,411,513

1 Total inter-segment eliminations.

2 Operating results does not include inter-segment eliminations and adjustments amounted to €(527,265).

3 The share of profit / (loss) of associates and dividend income constitutes of share of profit from associates amounted to €1,118,738 and dividend income from other investments amounted to €118,956.

4 Inter-segment eliminations of finance income / (expense)

5 Capitalization expenses include purchases of property, plant and equipment and purchases of intangible assets

6 Segment assets does not include investments in associates amount to €7,402,091 which are monitored in Group level

The following table present sales to third parties and non-current assets based on geographical location, the year ended December 31, 2010:

Information for geographical sectors- amounts in €	Sales to third parties	Non-current assets
Greece	197,487,719	505,786,690
European Union	565,744,467	22,560,391
Other European countries	47,769,186	-
Asia	58,045,375	-
America	52,886,008	-
Africa	4,389,348	-
Oceania	4,162,219	-
Total	930,484,322	528,347,081

Non-current assets consist of property, plant and equipment, intangible assets, investment properties and investments in associates.

VI. Notes to annual financial statements

7. Property, plant and equipment

Group's and Company's property, plant and equipment as of 31 December 2009 and 2010 and any changes thereof during fiscal years 2009 and 2010 are analysed as follows:

GROUP

<i>Amounts in Euros</i>	Land	Buildings	Plant and machinery	Transportation means	Furniture and fixtures	Assets under construction	Total
Cost							
Balance as of 1 January 2009	52,866,893	109,418,985	482,236,461	12,713,133	11,924,359	62,670,126	731,829,957
Foreign exchange differences	1,115,301	(2,428,208)	3,322,505	80,792	(32,104)	18,503	2,076,789
Additions	3,287,471	542,552	7,326,022	721,041	685,980	37,480,439	50,043,505
Sales - deletions	-	(4,600)	(686,347)	(85,442)	(268,388)	(860,674)	(1,905,451)
Destructions	-	-	(247,741)	-	(578)	(79,413)	(327,732)
Reclassifications	280,202	6,794,040	33,544,384	115,330	322,525	(41,622,447)	(565,966)
Transfer from investment properties	-	-	-	-	-	(6,269,794)	(6,269,794)
Balance as of 31 December 2009	57,549,867	114,322,769	525,495,284	13,544,854	12,631,794	51,336,740	774,881,308
Accumulated depreciation							
Balance as of 1 January 2009	-	(27,854,718)	(172,695,378)	(9,104,956)	(9,902,322)	-	(219,557,374)
Foreign exchange differences	-	1,279,432	(2,080,911)	(51,510)	18,859	-	(834,130)
Depreciation	-	(5,556,538)	(35,397,323)	(1,055,858)	(839,565)	-	(42,849,284)
Sales - deletions	-	192	399,039	87,222	206,086	-	692,539
Destructions	-	-	146,580	-	422	-	147,002
Balance as of 31 December 2009	-	(32,131,632)	(209,627,993)	(10,125,102)	(10,516,520)	-	(262,401,247)
Net book value as at 31 December 2009	57,549,867	82,191,137	315,867,291	3,419,752	2,115,274	51,336,740	512,480,061
Cost							
Balance as of 1 January 2010	57,549,867	114,322,769	525,495,284	13,544,854	12,631,794	51,336,740	774,881,308
Foreign exchange differences	115,541	143,276	1,696,980	42,613	(7,600)	397,064	2,387,874
Additions	-	505,401	5,038,709	448,529	654,148	37,458,051	44,104,838
Sales - deletions	-	-	(947,592)	(156,419)	(120,567)	(61,718)	(1,286,296)
Destructions	-	-	(3,444)	(15,219)	(44,810)	(117,688)	(181,161)
Reclassification	-	2,922,208	54,175,451	-	-	(57,097,659)	-
Transfer to intangible assets	-	-	-	-	-	(1,547,973)	(1,547,973)
Transfer from investment properties	-	329,440	3,128,973	5,940	75,649	(2,859,701)	680,301
Balance as of 31 December 2010	57,665,408	118,223,094	588,584,361	13,870,298	13,188,614	27,507,116	819,038,891
Accumulated depreciation							
Balance as of 1 January 2010	-	(32,131,632)	(209,627,993)	(10,125,102)	(10,516,520)	-	(262,401,247)
Foreign exchange differences	-	(115,430)	(1,435,238)	(32,372)	(24,328)	-	(1,607,368)
Depreciation	-	(6,000,614)	(37,157,283)	(981,214)	(810,725)	-	(44,949,836)
Sales - deletions	-	1,466	451,915	93,137	86,851	-	633,369
Destructions	-	-	9,501	-	25,447	-	34,948
Reclassification	-	-	151	(277)	126	-	-
Balance as of 31 December 2010	-	(38,246,210)	(247,758,947)	(11,045,828)	(11,239,149)	-	(308,290,134)
Net book value as at 31 December 2010	57,665,408	79,976,884	340,825,414	2,824,470	1,949,465	27,507,116	510,748,757
COMPANY							
Cost							
Balance as of 1 January 2009	28,834,285	57,020,510	288,144,401	8,018,687	7,230,499	27,571,340	416,819,722
Additions	216,081	194,848	2,193,401	347,428	186,630	17,612,302	20,750,690
Sales- deletions	-	-	(511,250)	-	(12,149)	(262,581)	(785,980)
Absorption of subsidiary	5,474,000	3,300,244	11,839	-	9,718	-	8,795,801
Reclassification	-	496,815	25,477,305	15,950	-	(26,556,036)	(565,966)
Balance as of 31 December 2009	34,524,366	61,012,417	315,315,696	8,382,065	7,414,698	18,365,025	445,014,267
Accumulated depreciation							
Balance as of 1 January 2009	-	(15,810,513)	(98,272,844)	(6,789,979)	(6,544,109)	-	(127,417,445)
Depreciation of the period	-	(3,285,637)	(19,911,949)	(463,871)	(369,988)	-	(24,031,445)
Sales- deletions	-	-	291,742	-	9,716	-	301,458
Absorption of subsidiary	-	(2,025)	(764)	-	(531)	-	(3,320)
Balance as of 31 December 2009	-	(19,098,175)	(117,893,815)	(7,253,850)	(6,904,912)	-	(151,150,752)
Net book value as at 31 December 2009	34,524,366	41,914,242	197,421,881	1,128,215	509,786	18,365,025	293,863,515
Cost							
Balance as of 1 January 2010	34,524,366	61,012,417	315,315,696	8,382,065	7,414,698	18,365,025	445,014,267
Additions	-	193,668	1,819,194	234,291	289,875	19,256,605	21,793,633
Sales- deletions	-	-	(106,304)	(23,390)	(3,583)	-	(133,277)
Reclassification	-	700,702	26,594,838	-	-	(27,295,540)	-
Transfer to intangible assets	-	-	-	-	-	(1,547,973)	(1,547,973)
Balance as of 31 December 2010	34,524,366	61,906,787	343,623,424	8,592,966	7,700,990	8,778,117	465,126,650
Accumulated depreciation							
Balance as of 1 January 2010	-	(19,098,175)	(117,893,815)	(7,253,850)	(6,904,912)	-	(151,150,752)
Depreciation of the period	-	(3,524,720)	(21,284,589)	(377,548)	(329,841)	-	(25,516,698)
Sales- deletions	-	-	63,483	23,390	963	-	87,836
Balance as of 31 December 2010	-	(22,622,895)	(139,114,921)	(7,608,008)	(7,233,790)	-	(176,579,614)
Net book value as at 31 December 2010	34,524,366	39,283,892	204,508,503	984,958	467,200	8,778,117	288,547,036

On Group's and Company's property, plant and equipment, no encumbrances and mortgages exist .

VI. Notes to annual financial statements

8. Investment properties

Investment properties as of 31 December 2010 and 2009 consists of lands and buildings owned by Company's subsidiaries and are analysed as follows:

<i>Amounts in Euros</i>	GROUP	
Cost	31/12/2010	31/12/2009
Opening balance-net	10,989,192	4,980,565
Sales	(2,936,289)	-
Transfers from / (to) property, plant and equipment	(680,302)	6,310,229
Depreciation	(448,270)	(301,602)
Closing balance	6,924,331	10,989,192
Income from leases acknowledged	1,090,733	1,169,898
Direct operating expenses related to investment property by which leases are received	(414,944)	(462,444)
Total	675,789	707,454

During the year, sales of buildings occurred and the gain from of the sale was €3,782,276 which is included in "Other operating income"

9. Intangible assets

Company's and Group's intangible assets as of 31 December 2010 and 2009 are analysed as follows:

GROUP

<i>Amounts in Euros</i>	Trade marks and licenses	Software	Other	Total
Cost				
Balance as of 1 January 2009	2,108	11,076,829	238,033	11,316,970
Foreign exchange differences	-	(3,658)	7,464	3,806
Additions	67,434	475,500	28,500	571,434
Sales - deletions	-	(103,611)	-	(103,611)
Reclassifications	-	550,590	15,376	565,966
Transfer to investment properties	-	(40,435)	-	(40,435)
Balance as of 31 December 2009	69,542	11,955,215	289,373	12,314,130
Accumulated amortization				
Balance as of 1 January 2009	(2,108)	(8,764,574)	(156,793)	(8,923,475)
Foreign exchange differences	-	1,693	(7,464)	(5,771)
Amortization	(15,927)	(854,317)	(28,745)	(898,989)
Sales - deletions	-	94,790	-	94,790
Reclassifications	-	1,667	(1,667)	-
Balance as of 31 December 2009	(18,035)	(9,520,741)	(194,669)	(9,733,445)
Net book value as of 31 December 2009	51,507	2,434,474	94,704	2,580,685
Cost				
Balance as of 1 January 2010	69,542	11,955,215	289,373	12,314,130
Foreign exchange differences	-	1,483	3,508	4,991
Additions	-	296,109	-	296,109
Sales - deletions	-	(2,416)	-	(2,416)
Transfers from assets under construction	-	1,448,125	99,848	1,547,973
Balance as of 31 December 2010	69,542	13,698,516	392,729	14,160,787
Accumulated amortization				
Balance as of 1 January 2010	(18,035)	(9,520,741)	(194,669)	(9,733,445)
Foreign exchange differences	-	(8,503)	(3,508)	(12,011)
Amortization	(16,593)	(1,112,498)	(28,745)	(1,157,836)
Sales - deletions	-	2,416	-	2,416
Reclassifications	-	(25,346)	25,346	-
Balance as of 31 December 2010	(34,628)	(10,664,672)	(201,576)	(10,900,876)
Net book value as of 31 December 2010	34,914	3,033,844	191,153	3,259,911

VI. Notes to annual financial statements

9. Intangible assets (continued)

COMPANY		
<i>Amounts in Euros</i>		
Cost		Software
Balance as of 1 January 2009		7,055,392
Additions		257,593
Sales		(10,928)
Absorption of subsidiary		5,422
Reclassifications		565,966
Balance as of 31 December 2009		7,873,445
Accumulated amortization		
Balance as of 1 January 2009		(5,791,605)
Amortization		(572,583)
Sales		10,928
Absorption of subsidiary		(217)
Balance as of 31 December 2009		(6,353,477)
Net book value as of 31 December 2009		1,519,968
Cost		
Balance as of 1 January 2010		7,873,445
Additions		111,276
Transfer from assets under construction		1,547,973
Balance as of 31 December 2010		9,532,694
Accumulated amortization		
Balance as of 1 January 2010		(6,353,477)
Amortization		(846,130)
Balance as of 31 December 2010		(7,199,607)
Net book value as of 31 December 2010		2,333,087

10. Investments in subsidiaries

Company's investments in subsidiaries are analyzed as follows:

<i>Amounts in Euros</i>	COMPANY	
	31/12/2010	31/12/2009
Opening balance	141,232,033	138,480,211
Additions	13,730,007	10,882,822
Share capital return	-	(165,000)
Absorption of subsidiary	-	(7,966,000)
Closing balance	154,962,040	141,232,033

Ownership percentages are analyzed below:

Entity Name	Country	Holding percentage 2010			Holding percentage 2009		
		Direct	Indirect	Total	Direct	Indirect	Total
ETEM SA	Greece	64.78%	-	64.78%	58.78%	-	58.78%
VIEXAL SA	Greece	73.33%	-	73.33%	73.33%	-	73.33%
VIOMAL SA	Greece	50.00%	-	50.00%	50.00%	-	50.00%
ELVAL COLOUR SA	Greece	75.29%	14.25%	89.54%	95.94%	-	95.94%
SYMETAL SA	Greece	99.99%	-	99.99%	99.99%	-	99.99%
STEELMET ROMANIA SA	Romania	40.00%	12.96%	52.96%	40.00%	11.76%	51.76%
BLYTHE Ltd	Cyprus	100.00%	-	100.00%	100.00%	-	100.00%
BRIDGNORTH Ltd	UK	75.00%	-	75.00%	75.00%	-	75.00%
ATHENS ART CENTRE SA	Greece	100.00%	-	100.00%	100.00%	-	100.00%
KANAL SA	Greece	75.00%	16.20%	91.20%	75.00%	14.70%	89.70%
ANOXAL SA	Greece	100.00%	-	100.00%	55.00%	26.45%	81.45%

VI. Notes to annual financial statements

10. Investments in subsidiaries (continued)

Acquisition of non-controlling interests

On 31 May 2010, the merger through absorption of ETALBOND SA, a subsidiary of ETEM SA, by ELVAL COLOUR SA, a subsidiary of the Company was completed through entry of approval decision No 9892-31/05/2010 of the Prefect of Athens in Societes Anonyme Register of the Prefecture of Athens, in compliance with the provisions of Codified Law 2190/1920 and Law 2166/1993. The 28th of February 2010 was set as transformation balance sheet date while the absorption was approved by the General Meetings of shareholders of ELVAL COLOUR SA and ETALBOND SA that took place on 26 May 2010.

On 18 August 2010, the Company purchased the entire holding of its subsidiary ETEM SA in the subsidiary ANOXAL SA which stood at 45% in exchange for the total consideration of € 5,362,650 in cash, as well as a stake of 11.33% of the subsidiary ELVAL COLOUR SA in exchange for the total consideration of € 4,623,000 in cash.

On 4 October 2010, the Company purchased 1,800,000 shares of ETEM SA accounting for 6% of its share capital through Athens Stock Exchange in exchange for the consideration of € 3,690,000 in cash. Following this act, the Company now holds 19,440,530 shares, namely 64.78% of the share capital of ETEM SA.

Investments in subsidiaries during the year are summed up in the table below:

<i>Amounts in Euros</i>	ELVAL			
	ETEM	COLOUR	ANOXAL	VIEXAL
Investments at the beginning of the year	36,202,101	6,763,899	7,385,000	23,100
Additions	3,690,000	4,623,000	5,362,650	-
Increase of share capital	-	41,037	-	13,320
Investments at the end of the year	39,892,101	11,427,936	12,747,650	36,420

The Company after the completion of the above actions, holds the 100% of the share capital of ANOXAL S.A and also participates through its subsidiary ETEM SA, in the share capital of ELVAL COLOUR SA, directly with a percentage of 75.29% and indirectly with a percentage of 14.25%, in the share capital of STEELMET SA directly with a percentage of 40.00% and indirectly with a percentage of 12.96% and in the share capital of KANAL SA directly with a percentage of 75.00% and indirectly with a percentage of 16.20%. The above mentioned changes in non-controlling interests were recognized directly in Equity in Group's financial statements as they relate to entities that control already exists.

During the year, the subsidiary ETEM impaired its holdings in ETEM SRL, AL AMAR and MOPPETS LTD by the total amount of €2,195,000.

11. Investments in associates

Company's and Group's investments in associates are analyzed as follows:

<i>Amounts in Euros</i>	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Opening balance	6,188,024	7,493,540	4,461,678	4,451,423
Share of profit/ (loss) (note 27)	1,118,738	(628,565)	-	-
Additions	800,256	10,255	800,256	10,255
Foreign exchange differences	(73,336)	-	-	-
Dividends received (-)	(619,600)	(687,206)	-	-
Closing balance	7,414,082	6,188,024	5,261,934	4,461,678

Brief financial information for associates:

Entity Name	Country	Assets	Liabilities	Sales	Share of profit / (loss)	Holding percentage
2009						
ANAMET SA	Greece	26,885,461	23,672,211	107,997,018	(80,719)	26,67%
VEPEM SA	Greece	40,182	93	-	(3,208)	50,00%
TEPROMETAL AG	Germany	25,800,897	18,205,077	70,998,259	(609,817)	40,39%
DIAPEM COMMERCIAL SA	Greece	659,126	19,580	-	(879)	33,33%
ELKEME SA	Greece	2,642,858	618,976	2,047,545	15,315	40,00%
STEELMET SA	Greece	8,788,685	4,957,431	18,431,754	304,339	29,56%
METAL GLOBE Doo	Serbia	2,505,803	2,813,397	2,944,515	(2,736)	40,00%
AFSEL SA	Greece	78,309	27,455	191,850	(24,982)	50,00%
ENERGY SOLUTIONS	Bulgaria	3,506,936	3,876,712	1,937,278	(225,878)	38,60%
COPPERPROM LTD (*)	Greece	77,438	56,706	135,724	-	20,00%
		70,985,695	54,247,638	204,683,943	(628,565)	

VI. Notes to annual financial statements

11. Investments in associates (continued)

Entity Name	Country	Assets	Liabilities	Sales	Share of profit / (loss)	Holding percentage
2010						
ANAMET SA	Greece	41,764,084	35,143,001	224,018,206	1,067,614	26.67%
VEPEM SA	Greece	35,196	292	-	(2,593)	50.00%
TEPROMETAL AG	Germany	29,256,129	20,685,597	106,249,075	9,503	46.35%
DIAPEM COMMERCIAL SA	Greece	657,886	26,023	-	(2,560)	33.33%
ELKEME SA	Greece	2,343,903	312,598	2,112,108	2,969	40.00%
STEELMET SA	Greece	5,645,156	3,928,235	16,101,950	(15,312)	29.56%
METAL GLOBE Doo	Serbia	1,261,590	1,714,109	2,659,287	-	40.00%
AFSEL SA	Greece	364,814	62,976	501,871	59,117	50.00%
ENERGY SOLUTIONS	Bulgaria	2,061,221	3,799,236	1,271,578	-	38.60%
COPPERPROM LTD (*)	Greece	77,438	56,706	135,724	-	20.00%
		83,467,417	65,728,773	353,049,799	1,118,738	

(*) Associates of ETEM S.A. The percentage of participation concern the participation of ETEM S.A. to these companies

On September 20, 2010 the Company participated in the share capital increase of the associate TEPRO METALL AG by €800,256, increasing its participation to 46.35%.

12. Available-for-sale investments

Available-for-sale financial assets concern investments in domestic and foreign companies with a holding percentage less than 20%.

<i>Amounts in Euros</i>	GROUP	COMPANY
Balance at 1 January 2009	1,415,707	680,039
Additions	219,400	219,400
Capital return	(117)	(117)
Balance at 31 December 2009	1,634,990	899,322
Additions	-	-
Balance at 31 December 2010	1,634,990	899,322

13. Deferred tax

The deferred tax assets and liabilities are offset when there is an applicable legal right that allows to offset the current tax claims against the current tax liabilities and when the deferred income taxes concern the same tax authority. It is expected that the largest part of the temporary differences on the basis of which the above tax liabilities and receivables were established will be reversed during a period exceeding one year. The total change in deferred income tax is as follows:

	GROUP			COMPANY		
	Assets	Liabilities	Total	Assets	Liabilities	Total
Balance 1 January 2009	25,711,153	(55,006,398)	(29,295,245)	9,930,200	(35,331,092)	(25,400,892)
Foreign exchange differences	869,191	923,416	1,792,607	-	-	-
(Debit) / credit of profit and loss	(2,088,737)	1,240,710	(848,027)	(141,790)	803,607	661,817
(Debit) / credit of equity	(15,758,083)	-	(15,758,083)	(4,616,111)	-	(4,616,111)
Balance as of 31 December 2009	8,733,523	(52,842,272)	(44,108,749)	5,172,299	(34,527,485)	(29,355,186)
Balance 1 January 2010	8,733,523	(52,842,272)	(44,108,749)	5,172,299	(34,527,485)	(29,355,186)
Foreign exchange differences	(6,805)	-	(6,805)	-	-	-
(Debit) / credit of profit and loss	(2,745,420)	778,880	(1,966,540)	(2,700,247)	1,107,821	(1,592,426)
(Debit) / credit of equity	(213,879)	-	(213,879)	278,050	-	278,050
Balance as of 31 December 2010	5,767,419	(52,063,392)	(46,295,973)	2,750,102	(33,419,664)	(30,669,562)

Changes in deferred tax assets and liabilities before offsetting are as follows:

GROUP - Amounts in Euros	Balance 1/1/2009	Foreign exchange differences	(Debit) /credit of profit and loss	(Debit) /credit of equity	Balance 31/12/2009	Foreign exchange differences	(Debit) /credit of profit and loss	(Debit) /credit of equity	Balance 31/12/2010
Revaluation of assets/ Differences in depreciation rates	(52,662,337)	923,415	1,240,710	-	(50,498,212)	(40,442)	1,277,725	-	(49,260,929)
Difference in provisions	3,001,322	(2,734)	(1,190,899)	-	1,807,689	-	870,422	-	2,678,111
Non -recognised intangible assets	60,481	-	(15,997)	-	44,484	-	(277,118)	-	(232,634)
Hedging	14,469,105	785,269	(829,868)	(15,758,083)	(1,333,577)	2,796	-	(213,879)	(1,544,660)
Tax losses	6,168,407	95,137	500,889	-	6,764,433	28,059	(3,788,813)	-	3,003,679
Untaxed reserves	1,734,156	-	-	-	1,734,156	-	-	-	1,734,156
Tax-rate differences in subsidiaries	(2,344,061)	-	-	-	(2,344,061)	-	-	-	(2,344,061)
Other	277,682	(8,481)	(552,862)	-	(283,661)	2,781	(48,756)	-	(329,636)
	(29,295,245)	1,792,607	(848,027)	(15,758,083)	(44,108,749)	(6,805)	(1,966,540)	(213,879)	(46,295,975)

VI. Notes to annual financial statements

13. Deferred tax (continued)

<i>COMPANY - Amounts in Euros</i>	Balance 1/1/2009	(Debit) /credit of profit and loss	(Debit) /credit of equity	Balance 31/12/2009	(Debit) /credit of profit and loss	(Debit) /credit of equity	Balance 31/12/2010
Revaluation of assets/ Differences in depreciation rates	(35,331,092)	803,607	-	(34,527,485)	1,107,821	-	(33,419,664)
Difference in provisions	1,520,470	(964,817)	-	555,653	739,043	-	1,294,696
Non –recognised Intangible assets	83,957	(48,744)	-	35,213	(287,551)	-	(252,338)
Hedging	3,574,766	(342,900)	(4,616,111)	(1,384,245)	-	278,050	(1,106,195)
Tax losses	3,002,382	1,251,131	-	4,253,513	(3,147,252)	-	1,106,261
Untaxed reserves	1,734,156	-	-	1,734,156	-	-	1,734,156
Other	14,469	(36,460)	-	(21,991)	(4,487)	-	(26,478)
	(25,400,892)	661,817	(4,616,111)	(29,355,186)	(1,592,426)	278,050	(30,669,562)

According to Greek tax legislation, Company's tax losses could be reversed till 2014.

14. Inventories

Group's and the Company's inventories as of 31 December 2010 and 2009 are analysed as follows:

<i>Inventories Amounts in Euros</i>	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Merchandise	16,638,971	19,561,270	1,777	2,042
Finished products	66,541,804	45,354,328	32,694,905	25,545,514
Semi-finished	49,698,525	41,897,664	44,857,926	34,813,138
By-products and scrap	12,930,442	14,904,828	11,278,812	11,630,966
Work in progress	14,343,507	11,799,516	-	-
Raw and indirect materials - consumables - spare parts and packaging materials	96,713,831	77,963,256	45,461,750	43,002,813
Down-payments for the purchase of inventory	13,207,162	5,857,559	11,748,061	5,170,830
Total	270,074,242	217,338,421	146,043,231	120,165,303
Provision for impairments of inventory:				
Merchandise	(282,551)	(15,982)	-	-
Raw and indirect materials - consumables - spare parts and packaging materials	(805,796)	(805,796)	(805,796)	(805,796)
	(1,088,347)	(821,778)	(805,796)	(805,796)
Total net realizable value	268,985,895	216,516,643	145,237,435	119,359,507

15. Trade and Other receivables

The Group's and the Company's receivables as of 31 December 2010 and 2009 are analysed as follows:

<i>Current Assets Amounts in Euros</i>	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2009	31/12/2009
Customers	153,809,770	140,909,149	76,814,566	60,984,830
Receivables from related parties (note 31)	17,004,198	11,574,284	45,907,981	30,979,454
Notes-cheques receivables	28,315,272	32,323,414	2,595,271	3,793,875
Less: Provision for impairment	(21,125,325)	(13,692,079)	(1,622,202)	(1,530,761)
Net receivables from customers	178,003,915	171,114,768	123,695,616	94,227,398
Plus:				
Other down payments	605,777	492,540	450,345	412,128
Current tax claims	14,662,937	11,969,279	2,472,558	5,357,865
Receivables from dividends of related parties	-	-	3,631	10,631
Sundry debtors	9,817,970	15,739,815	5,449,682	11,915,516
Less: Allowance for doubtful debts	(335,064)	(335,064)	(335,064)	(335,064)
Total trade and other receivables	202,755,535	198,981,338	131,736,768	111,588,474
<i>Non-current Assets Amounts in Euros</i>				
Long-term receivables against related companies	20,907	20,907	-	-
Long term notes	1,814,276	1,859,536	-	-
Other long-term receivables	1,904,842	1,931,003	1,595,136	1,647,492
Total other long-term receivables	3,740,025	3,811,446	1,595,136	1,647,492
Total receivables	206,495,560	202,792,784	133,331,904	113,235,966

The ageing analysis after provisions for impairments is analyzed as follows:

<i>Customers Amounts in Euros</i>	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Updated	123,378,115	95,366,385	113,685,617	84,899,396
Due				
Up to 6 months	21,705,033	35,497,525	7,414,728	5,534,127
> 6 months	4,605,495	7,927,444	-	-
Total	149,688,643	138,791,354	121,100,345	90,433,523

VI. Notes to annual financial statements

15. Trade and Other receivables (continued)

The above Company's total amounts also include receivables from related parties amounting to €45,907,981 (2009: €30,979,454). The relevant consolidated data are as follows: €17,004,198 (2009: €11,574,284).

From the above amounts exclude receivables from notes and cheques (updated amounts) which are as follows:

GROUP		COMPANY	
31/12/2010	31/12/2009	31/12/2010	31/12/2009
28,315,272	32,323,414	2,595,271	3,793,875

The Group and the Company have made an adequate provision in order to cover a bad debt risk. The movement in the provision of impairment for receivables from customers is as follows:

Amounts in Euros	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Opening balance	13,692,079	8,851,128	1,530,761	1,483,265
Charge of the year	7,633,395	5,494,652	91,441	248,241
Deletions	(199,348)	(677,466)	-	(200,745)
Foreign exchange differences	(801)	23,765	-	-
Closing balance	21,125,325	13,692,079	1,622,202	1,530,761

16. Derivatives

Derivatives as of 31 December 2010 and 2009, analyzed as follows:

Derivatives Amounts in Euros	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Non-current assets				
Foreign exchange swaps	167,537	303,795	-	-
Fx future contracts	196,270	39,839	193,434	39,839
Future contracts (metal)	167,377	2,467,551	158,896	2,406,607
Total	531,184	2,811,185	352,330	2,446,446
Current assets				
Interest rate swaps	440,062	-	440,062	-
Foreign exchange swaps	733,377	262,959	-	-
Fx future contracts	872,644	205,165	599,439	105,435
Future contracts (metal)	8,898,553	10,790,601	7,504,768	10,131,832
Total	10,944,636	11,258,725	8,544,269	10,237,267
Long-term liabilities				
Interest rate swaps	37,253	164,244	-	132,943
Foreign exchange swaps	32,183	55,535	-	-
Fx future contracts	219,927	66,652	211,879	66,652
Future contracts (metal)	-	28,426	-	28,426
Total	289,363	314,857	211,879	228,021
Short-term liabilities				
Interest rate swaps	56,394	16,710	-	-
Fx future contracts	1,099,358	2,194,119	428,056	779,660
Future contracts (metal)	3,975,630	5,994,020	3,647,520	5,908,349
Total	5,131,382	8,204,849	4,075,576	6,688,009

Company's and Group's results from the acts of hedging recorded in the profit and loss for the fiscal year 2010 & 2009 and presented for metal future contracts and fx future contracts in the 'Sales' and the 'Cost of sales' while for interest rate swaps in the 'Financial income / (expenses)' are as follows:

Amounts in Euros	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Future contracts (metal)	6,826,058	(34,753,895)	7,282,355	(13,146,599)
Interest rate swaps	-	119,345	-	69,539
fx futures	(8,348,542)	(5,446,883)	(8,664,925)	4,069,185

17. Cash and cash equivalents

Cash and cash equivalents for the Group and the Company for the fiscal year 2010 & 2009 analyzed as follows:

Amounts in Euros	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Cash on hand	281,663	302,782	10,706	6,629
Short-term bank deposits	15,352,311	21,827,331	4,074,779	5,599,102
Total	15,633,974	22,130,113	4,085,485	5,605,731

The short-term bank deposits concerns demand deposits at their greatest part.

VI. Notes to annual financial statements

18. Share capital

The share capital as of 31 December 2010 and 2009 analysed to 124,100,815 shares of €0.30 per share nominal value

The Company has adopted an options offer up to the rate of 1.23% of the number of the existing common registered shares up to the time of adoption (1,520,600 options), adjusted in future modifications of the number of shares in which the share capital is divided, under the following terms and conditions:

A) Beneficiaries of the option program: Members of the Board of Directors, Company's employees or employees to related companies

B) Price at which options exercised: The closing price of Company's share in the Athens Stock Exchange on fifteenth of June 2002, namely €2.96 per option.

C) Exercise of options: Options are secured gradually by 10% annually, beginning from the first business day of November 2002 until the first business day of November 2011. The above secured options are exercised from the first business day of November until the last business day of November for either of the years 2006 up to 2013. Following this closing date any option that is not exercised is cancelled.

In 2010, no share options have been exercised.

19. Reserves

Company's and Group's reserves as of 31 December 2009 and 2010 are analysed as follows:

GROUP	Fair value reserves	Other reserves				Total
		Legal reserve	Special reserve	Untaxed reserve	Other reserves	
<i>Amounts in Euros</i>						
Balance as of 1 January 2009	(38,556,963)	13,203,565	8,707,681	141,429,910	1,438,346	164,779,502
Foreign exchange differences	(2,027,383)	-	-	-	-	-
Transfer from distribution	-	124,902	-	16,866	-	141,768
Capitalization / issuance of share capital	5,314,773	-	-	(106,944)	-	(106,944)
Reclassification	-	-	3,951,140	(3,951,140)	-	-
Absorption of subsidiary	-	47,770	-	699,734	-	747,504
Result recognized directly in equity	39,247,431	-	-	-	-	-
Balance as of 31 December 2009	3,977,858	13,376,237	12,658,821	138,088,426	1,438,346	165,561,830
Balance as of 1 January 2010	3,977,858	13,376,237	12,658,821	138,088,426	1,438,346	165,561,830
Foreign exchange differences	(7,191)	-	-	-	-	-
Transfer from distribution	-	195,504	-	593,270	193,164	981,938
Capitalization / issuance of share capital	-	(11,801)	(618)	-	-	(12,420)
Reclassification	-	-	(293,334)	(913,752)	-	(1,207,086)
Change of percentage in subsidiaries	(4,639)	224,871	263,606	716,934	101,103	1,306,514
Result recognized directly in equity	325,829	-	-	-	-	-
Balance as of 31 December 2010	4,291,857	13,784,810	12,628,475	138,484,878	1,732,613	166,630,776

VI. Notes to annual financial statements

19. Reserves (continued)

COMPANY	Reserves at fair value	Other reserves				Total other reserves
		Legal reserves	Special reserves	Untaxed reserves	Other reserves	
<i>Amounts in Euros</i>						
Balance as of 1 January 2009	(9,695,599)	10,037,263	5,973,886	118,175,089	328,381	134,514,619
Reclassification	-	-	3,951,140	(3,951,140)	-	-
Result recognized directly in equity	14,079,037	-	-	-	-	-
Absorption of subsidiary	-	47,770	-	699,734	-	747,504
Balance as of 31 December 2009	4,383,438	10,085,033	9,925,026	114,923,683	328,381	135,262,123
Balance as of 1 January 2010	4,383,438	10,085,033	9,925,026	114,923,683	328,381	135,262,123
Reclassification	-	-	(293,333)	(913,752)	-	(1,207,085)
Result recognized directly in equity	(880,490)	-	-	-	-	-
Balance as of 31 December 2010	3,502,948	10,085,033	9,631,693	114,009,931	328,381	134,055,038

Fair value reserve

The fair value reserves related to valuation of the derivatives used by the Group and the Company (contracts of futures and contracts of interest rate swaps) to hedge the risk from the change in Companies' and Groups' future cash flows. In Company level, the valuation of the derivatives as of 31 December 2010 revealed a gain amounted at €4.6mil. (2009: gain €5.8 mil), which, after the deduction of the corresponding deferred tax liability of €1.1mil. (2009: deferred tax liability of €1.4 mil.), appears to raise the balance of Company's Equity.

In Group level, the valuation of the derivatives brought a gain of €5.8 mil. (2009: gain €5.6 million) which after the deduction of the corresponding deferred tax liability €1.5 mil. (2009: deferred tax liability of €1.6 mil.) appears to raise the balance of Groups' Equity.

The net change in fair value of cash flow hedges as it is shown in statement of comprehensive income concerns the net change in the fair value reserves as of 31/12/2010 and 31/12/2009.

Legal reserve

Pursuant to the Greek Trade legislation, the companies are obliged, from their FY profits, to form 5% as a legal reserve until it reaches one third of their paid share capital. The distribution of the legal reserve is prohibited.

Special and untaxed reserves

The special reserves and the tax-free reserves include:

- Blocked reserves to cover equity participation of subsidized investment programs. The Ordinary General Meeting of 16th of June 2010 decided the creation of special reserves, in order to cover the equity participation of investing programs subject to the provisions of development law 3299/2004.
- Non-distributed tax-exempt earnings based on special provisions of development laws (on the condition that there are sufficient earnings for their creation).
- Reserves from tax-exempt income and reserves specially taxed regarded income from interest for which tax deduction has occurred in the source.

VI. Notes to annual financial statements

20. Loans and liabilities from leasing activities

Long-term and short-term loans are analyzed as followed:

<i>Amounts in Euros</i>	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Long-term loans				
Bank loans	25,080,683	11,617,459	9,592,000	4,320,000
Bond loans	114,894,647	109,623,666	71,401,153	60,880,172
Total long-term loans	139,975,330	121,241,125	80,993,153	65,200,172
Short-term loans				
Long-term loans paid in current period	73,851,310	58,703,609	41,540,353	29,728,000
Bank loans	82,654,490	81,941,589	34,107,025	19,065,200
Total short-term loans	156,505,800	140,645,198	75,647,378	48,793,200
Total loans	296,481,130	261,886,323	156,640,531	113,993,372
The maturity dates of the long-term loans are presented below:				
Between 1 to 2 years	89,054,369	61,608,450	49,901,464	33,095,910
Between 2 to 5 years	43,644,305	57,641,549	29,091,689	32,104,262
More than 5 years	7,276,656	1,991,126	2,000,000	-
	139,975,330	121,241,125	80,993,153	65,200,172

The short-term loans for Group and Company as of 31/12/2010, includes loans in \$ amounts to €9.8 mill. (loans in \$13.2 mill.).

The actual weighed average interest rates at the date on the balance sheet date are the following:

31/12/2009	GROUP			COMPANY		
	€	US\$	£	€	US\$	£
Bank loans (short-term)	3.7%	3.0%	2.5%	3.5%	3.0%	3.0%
Bank loans (long-term)	2.6%	-	-	3.0%	-	-
Bonds	2.9%	-	-	2.8%	-	-
Finance lease obligations	5.0%	-	-	-	-	-

31/12/2009	GROUP			COMPANY		
	€	US\$	£	€	US\$	£
Bank loans (short-term)	3.6%	4.6%	4.2%	5.3%	4.6%	4.2%
Bank loans (long-term)	2.7%	-	-	2.4%	-	-
Bonds	2.5%	-	-	2.5%	-	-

Fair values of loans are approximately equal with their carrying values due to their floating rate interest. The Group has sufficient credit limits to cover future needs.

During the year, based on relevant decisions of the Ordinary General Meeting on 11 June 2008 and the Ordinary General Meeting on 16 June 2010, the Company entered into five new ordinary bond loan agreements totalling €52 million which will be repaid during five years.

There are no encumbrances on the Company's and Group's loans while existing loan contracts have no covenants.

VI. Notes to annual financial statements

21. Employee benefits

Pursuant to the Greek labor law, employees are entitled to an indemnification in the event of their discharge or their retirement, the amount of which is variable depending on the wages, their years of service and the manner by which they withdraw from the company (discharge or retirement). Employees that resign or are discharged justifiably are not entitled to an indemnification. The payable indemnity in the event of retirement is equal to 40% of the indemnification which would be payable in the event of unjustifiable discharge. The Group charges its results for accumulated benefits in each period with a corresponding increase of the retirement liability. Benefits that are paid to pensioners during each period are charged against this liability. The Company's and Group's liability for personnel compensation as of 31 December 2010 and 2009 is analysed as follows:

<i>Amounts in Euros</i>	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Statement of Financial Position liabilities for:				
Retirement benefits	9,362,094	8,915,722	6,405,801	6,077,904
Present value of non-funded liabilities	11,321,357	11,173,662	7,967,363	7,921,118
Non-recorded actuarial profits / (losses)	(1,486,467)	(1,748,475)	(1,350,215)	(1,615,001)
Non-recorded cost of past service	(472,796)	(509,465)	(211,347)	(228,213)
Liability recorded in the Statement of Financial Position	9,362,094	8,915,722	6,405,801	6,077,904
Changes in net liability recognised:				
Net liability at the beginning of the period	8,915,722	8,523,957	6,077,904	5,751,052
Benefits paid	(827,672)	(911,141)	(641,085)	(759,696)
Total expenditure recognised in profit and loss (note 25)	1,274,044	1,302,906	968,982	1,086,548
Net liability at the end of the period	9,362,094	8,915,722	6,405,801	6,077,904
Charges to the Income Statement				
Retirement benefits (note 25)	1,274,044	1,302,906	968,982	1,086,548
Analysis of expenditures that were recognised in the Income Statement				
Cost of current employment	695,875	606,680	468,941	397,889
Interest on the liability	525,780	499,904	380,334	351,760
Cost of additional benefits	(356,928)	244,458	(81,219)	317,375
Cost of settlement from employee transfers	150,655	(375,617)	143,363	-
Expenses	64,337	22,760	57,563	19,524
Cost of past service during the period	194,325	304,721	-	-
Total expenditure that was recognised in the Income Statement (note 25)	1,274,044	1,302,906	968,982	1,086,548
The main actuarial acknowledgments that were used for accounting purposes are the following:				
Discount rate	4.7%	5.0%	4.7%	5.0%
Future salary increases	4.5%	4.5%	4.5%	4.5%

22. Government grants

The government grants for the fiscal years 2010 and 2009 are as follows:

<i>Amounts in Euros</i>	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Balance at the beginning of the period	13,021,690	9,906,214	10,203,801	6,980,509
Government grants received	1,308,402	4,202,896	-	3,855,810
Amortization of government grants (note 27)	(1,020,467)	(1,087,420)	(659,564)	(632,518)
Balance at the end of the fiscal year	13,309,625	13,021,690	9,544,237	10,203,801

The above government grants have been received against investments in property, plant and equipment.

VI. Notes to annual financial statements

23. Trade and other payables

Groups' and Companies' trade and other payables as of 31 December 2010 and 2009 are analyzed as follows:

<i>Amounts in Euros</i>	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Suppliers	61,857,351	61,166,441	25,513,770	25,696,819
Notes payable	65,919	65,919	-	-
Cheques payable	413,900	373,035	-	-
Customer down-payments	5,269,025	1,343,931	3,896,275	456,352
Liabilities to insurance organisations	2,804,312	2,702,051	1,452,469	1,461,759
Amounts due to related parties (<i>note 31</i>)	13,631,303	12,760,919	13,394,496	11,895,716
Dividends payable	22,598	22,728	22,598	22,728
Sundry creditors	2,890,753	3,272,177	510,071	756,942
Accrued income	28,062	-	-	-
Accrued expenses	6,329,694	5,161,255	2,047,085	1,713,296
Other transitory credit accounts	1,181,734	5,080,550	1,155,740	4,840,354
Sundry taxes	2,793,350	1,848,213	718,405	580,853
Total trade and other payables	97,288,001	93,797,219	48,710,909	47,424,819

24. Provisions

The analysis of provisions for the Group and the Company noted below:

GROUP	
Short-term liabilities	
<i>Amounts in Euros</i>	Claims
1 January 2009	1,687,007
Provision charges for the year	199,066
Reclassification	(450,000)
Provisions used	<u>(1,396,073)</u>
31 December 2009	40,000
Provision charges for the year	<u>228,738</u>
31 December 2010	268,738
COMPANY	
Short-term liabilities	
<i>Amounts in Euros</i>	Claims
1 January 2009	450,000
Reclassification	<u>(450,000)</u>
31 December 2009	-
Provision charges for the year	<u>-</u>
31 December 2010	-

VI. Notes to annual financial statements

25. Expenses

Group's and Company's operating expenses for fiscal years 2009 and 2010 are allocated among 'Cost of sales', 'Selling and distribution expenses' and 'Administrative expenses' as follows:

GROUP - amounts in Euros			Selling and distribution expenses	Administrative expenses	Total
31/12/2009	<i>Note</i>	Cost of sales			
Employee benefits		53,892,171	9,882,217	10,617,990	74,392,378
Cost of inventories recognised as an expense		432,478,284	18,839	13,455	432,510,578
Depreciation-Amortization	7,8 & 9	40,173,357	1,934,469	1,718,555	43,826,381
Insurance costs		1,376,316	972,001	340,094	2,688,411
Rents		2,293,457	1,133,328	727,998	4,154,783
Transportation		12,554,461	5,864,245	485,187	18,903,893
Promotional and advertisement expenses		3,427	3,560,333	141,830	3,705,590
Services of third parties		33,216,130	2,164,161	4,309,758	39,690,049
Provisions		101,666	1,358,087	90,061	1,549,814
Other expenses		62,603,684	7,820,608	4,349,825	74,774,117
Total		638,692,953	34,708,288	22,794,753	696,195,994
31/12/2010					
Employee benefits		58,836,266	10,500,376	10,218,531	79,555,173
Cost of inventories recognised as an expense		608,708,037	22,723	(9,766)	608,720,994
Depreciation-Amortization	7,8 & 9	42,411,785	2,396,151	1,748,005	46,555,941
Insurance costs		2,748,029	673,696	329,694	3,751,419
Rents		3,238,425	1,151,714	716,084	5,106,223
Transportation		13,657,351	7,117,452	542,714	21,317,517
Promotional and advertisement expenses		7,591	3,752,079	273,956	4,033,626
Services of third parties		44,589,082	1,974,910	5,221,427	51,785,419
Provisions		84,070	993,814	-	1,077,884
Other expenses		79,167,266	9,350,963	2,939,727	91,457,956
Total		853,447,902	37,933,878	21,980,372	913,362,152
COMPANY - amounts in Euros			Selling and distribution expenses	Administrative expenses	Total
31/12/2009	<i>Note</i>	Cost of sales			
Employee benefits		26,151,726	2,318,643	4,415,833	32,886,202
Cost of inventories recognised as an expense		267,041,715	-	-	267,041,715
Depreciation-Amortization	7,8 & 9	23,603,824	500,102	500,102	24,604,028
Insurance costs		578,388	500,361	197,716	1,276,465
Rents		1,025,593	261,518	186,335	1,473,446
Transportation		9,239,723	783,154	297,495	10,320,372
Promotional and advertisement expenses		-	58,012	99,348	157,360
Services of third parties		25,727,971	375,198	4,214,467	30,317,636
Other expenses		45,803,887	99,460	689,594	46,592,941
Total		399,172,827	4,896,448	10,600,890	414,670,165
31/12/2010					
Employee benefits		27,509,461	2,477,614	4,208,920	34,195,995
Cost of inventories recognised as an expense		417,964,543	1,997	437	417,966,977
Depreciation-Amortization	7,8 & 9	25,190,540	586,144	586,144	26,362,828
Insurance costs		1,749,290	120,987	194,081	2,064,358
Rents		1,224,230	221,911	199,632	1,645,773
Transportation		12,259,489	304,996	365,297	12,929,782
Promotional and advertisement expenses		-	50,249	181,995	232,244
Services of third parties		32,300,287	212,200	3,924,162	36,436,649
Other expenses		55,716,589	449,294	955,257	57,029,698
Total		573,914,429	4,425,392	10,615,925	588,955,746

Other expenses concern energy costs and results from the acts of hedging. On Group level, Services of third parties for year ended 2010, include audit services from Group auditors of €152,800, audit services from other auditors of € 148,846 and other services from auditors of €15,187

Employee benefits for fiscal years 2010 and 2009 are analysed as follows:

<i>Amounts in Euros</i>	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Personnel fees and expenses	63,117,323	60,052,956	25,381,036	24,504,300
Social security expenses	11,918,682	10,493,526	6,289,748	5,949,852
Retirement cost of fixed contributions schemes	297,077	292,720	-	-
Retirement cost of fixed benefits schemes (note 21)	1,274,044	1,302,906	968,982	1,086,548
Other personnel fringe benefits	2,948,047	2,250,270	1,556,229	1,345,502
Total	79,555,173	74,392,378	34,195,995	32,886,202

For the Group for year 2010, other personnel fringe benefits related to distribution of earnings to personnel and to the members of B.o.D and consequential benefits of personnel (food, training, etc.). For the Company, other personnel fringe benefits concern consequential benefits of personnel.

The number of employees at the end of 2010 is for the Company: 707 (2009: 713) and for the Group: 2,230 (2009: 2,170).

VI. Notes to annual financial statements

26. Finance income / expenses

Group's and Company's financial income and expenses for fiscal years 2010 and 2009 are analysed as follows:

<i>Amounts in Euros</i>	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Finance income				
Interest income	435,222	1,372,858	9,346	60,089
Interest income from clients	3,322,325	2,843,730	3,320,114	2,841,286
Foreign exchange differences	901,863	1,532,593	-	-
Other	86,829	1,198	-	-
Total finance income	4,746,239	5,750,379	3,329,460	2,901,375
Finance expenses				
Interest expense and related expenses	(10,808,803)	(9,022,655)	(5,620,714)	(3,788,360)
Foreign exchange differences	(1,053,513)	(3,927,055)	-	-
Other	(435,887)	(994,200)	-	-
Total finance expense	(12,298,203)	(13,943,910)	(5,620,714)	(3,788,360)
Finance income / (expenses) - net	(7,551,964)	(8,193,531)	(2,291,254)	(886,985)

27. Other operating income / (expenses)

Group's and Company's other operating income and expenses for fiscal years 2010 and 2009 are analysed as follows:

<i>Amounts in Euros</i>	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Other operating income				
Subsidies	214,453	211,904	99,908	136,019
Income from incidental activities	2,065,002	1,728,953	-	-
Amortization of government grants received (<i>note 22</i>)	1,020,467	1,087,420	659,564	632,518
Income from services	1,267,164	2,009,775	124,800	118,465
Buildings and machinery rents	915,269	1,439,684	650,333	639,167
Insurance indemnification	422,577	713,820	50,969	313,448
Profit / (loss) from the sale of property, plant and equipment	(19,829)	(82,350)	4,479	(116,814)
Other income	5,193,187	3,659,156	1,194,477	1,629,937
Total other operating income	11,078,290	10,768,362	2,784,530	3,352,740
Other operating expenses				
Development expenses	(290,484)	(263,095)	-	-
Other expenses	(5,005,783)	(3,923,384)	(87,433)	(91,390)
Total other operating expenses	(5,296,267)	(4,186,479)	(87,433)	(91,390)

Income from dividends for fiscal years 2010 and 2009 is analyzed below:

<i>Amounts in Euros</i>	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Income from dividends	118,956	155,788	3,052,189	2,399,359

Share of profit / (loss) from associates for fiscal years 2010 and 2009 is presented below:

<i>Amounts in Euros</i>	GROUP	
	31/12/2010	31/12/2009
Share of profit / (loss) from associates		
Share of profit from associates	1,139,203	319,654
Share of loss from associates	(20,465)	(948,219)
Total (<i>note 11</i>)	1,118,738	(628,565)

VI. Notes to annual financial statements

28. Income tax expense

The income tax presented in the Income Statements is analysed as follows:

<i>Amounts in Euros</i>	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Current tax	(7,348,597)	(2,420,096)	(373,872)	(1,225,448)
Deferred tax (<i>note 13</i>)	(1,966,540)	(848,027)	(1,592,426)	661,816
Total income tax	(9,315,137)	(3,268,123)	(1,966,298)	(563,632)

The reconciliation of income tax using Company's effective tax rate is analyzed as follows:

<i>Amounts in Euros</i>	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Profit / (loss) before tax	16,589,923	(8,094,142)	11,454,735	(1,792,907)
Tax rate	24%	25%	24%	25%
	(3,981,581)	2,023,536	(2,749,136)	448,227
Exempt income	(0.8%) (136,564)	(158,613)	3.3% 379,094	217,253
Configuration of tax unaudited reserves	(1.3%) (219,300)	(987,785)	(1.9%) (219,300)	(987,785)
Used tax audit provision	(1.2%) (205,322)	(102,500)	0.0% -	-
Foreign tax	0.0% -	(15,499)	0.0% -	-
Change in tax rate	5.5% 915,431	295,000	8.3% 947,515	246,899
Difference tax rate of foreign subsidiaries	(4.3%) (712,426)	481,318	0.0% -	-
Permanent tax differences	(26.0%) (4,306,001)	(4,109,185)	(1.5%) (169,900)	(250,562)
Tax audit results	(1.0%) (169,555)	(856,916)	0.0% -	-
Tax retained in abroad not deductible	0.0% -	157,931	0.0% -	-
Tax audit provision	(0.2%) (35,000)	12,549	0.0% -	-
Social responsibility contribution	(2.4%) (390,248)	-	(0.1%) (6,637)	-
Dividend tax of subsidiaries	(0.4%) (74,571)	(7,959)	(1.3%) (147,934)	(237,664)
	(56.1%) (9,315,137)	(3,268,123)	(17.2%) (1,966,298)	(563,632)

<i>Amounts in Euros</i>	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Current tax liabilities				
Income tax	2,985,205	1,699,475	27,623	229,544

Income tax recognized in other comprehensive income

GROUP	2010			2009		
	<i>Before tax</i>	<i>Tax (expense) benefit</i>		<i>Before tax</i>	<i>Tax (expense) benefit</i>	
<i>Amounts in Euros</i>			<i>Net of tax</i>			<i>Net of tax</i>
Foreign exchange differences	1,456,917	-	1,456,917	176,135	-	176,135
Net change in fair value of cash flow hedges	811,960	(213,880)	598,080	60,797,643	(16,190,287)	44,607,356
	2,268,877	(213,880)	2,054,997	60,973,778	(16,190,287)	44,783,491

COMPANY	2010			2009		
	<i>Before tax</i>	<i>Tax (expense) benefit</i>		<i>Before tax</i>	<i>Tax (expense) benefit</i>	
<i>Amounts in Euros</i>			<i>Net of tax</i>			<i>Net of tax</i>
Net change in fair value of cash flow hedges	(1,158,540)	278,050	(880,490)	19,038,047	(4,959,010)	14,079,037
	(1,158,540)	278,050	(880,490)	19,038,047	(4,959,010)	14,079,037

On 13 May 2010, the subsidiary ETEM SA announced that the ordinary tax audit of the same for the years 2005-2007 was completed and gave rise to payable taxes and surcharges equal to €522,310. ETEM SA had already charged an adequate provision to the respective years and, thus, there was no charge to the results of the current period.

On 8 June 2010 the ordinary tax audit of the subsidiary SYMETAL SA for the financial years 2007-2008 was completed. The tax that arose and was fully paid up amounted to €71,616. The Company had already charged a provision of €50,000 to its consolidated financial statements in the respective years in relation to the unaudited financial years of its subsidiary. The difference of €21,616 was charged to the current income tax of the period.

According to Article 5 of Law 3845/2010, the extraordinary lump-sum social responsibility contribution charged to the total net income of the financial year 2010 that has been calculated for the Group refers to an amount of €390,248 and was charged to the current income tax of the year.

VI. Notes to annual financial statements

28. Income tax expense (continued)

At Group and Company level, the provision for unaudited years amounts to €179,656 and €27,623 respectively.

The fiscal years that the companies of the Group have not been audited by the tax authorities are set out in the following table:

<u>Entity name</u>	<u>Country of registration</u>	<u>Holding percentage</u>	<u>Method of consolidation</u>	<u>Unaudited years</u>
ELVAL SA	Greece	Parent	Parent	2008-2010
ETEM SA	Greece	64.78%	Full Consolidation	2008-2010
SYMETAL SA	Greece	99.99%	Full Consolidation	2009-2010
VIOMAL SA	Greece	50.00%	Full Consolidation	2008-2010
ELVAL COLOUR SA	Greece	89.54%	Full Consolidation	2007-2010
VIEXAL SA	Greece	73.33%	Full Consolidation	2010
BRIDGNORTH ALUMINIUM Ltd	UK	75.00%	Full Consolidation	2003-2010
BLYTHE Ltd	Cyprus	100.00%	Full Consolidation	-
STEELMET ROMANIA SA	Romania	52.96%	Full Consolidation	2002-2010
KANAL SA	Greece	91.20%	Full Consolidation	2010
ATHENS ART CENTRE SA	Greece	100.00%	Full Consolidation	2005-2010
ANOXAL SA	Greece	100.00%	Full Consolidation	2010

29. Commitments

The Group leases cars and buildings by operating leases. The future payable total leases in accordance to the operating leases are as follows:

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
1. Contractual commitments				
<i>Amounts in Euros</i>				
Property, plant and equipment	2,043,444	5,468,729		
	2,043,444	5,468,729		
2. Liabilities from operating leases				
<i>Amounts in Euros</i>				
Up to 1 year	1,032,472	969,207	457,564	460,526
From 1-5 years	2,527,377	1,781,156	1,112,658	896,044
More than 5 years	339,380	214,789	165,955	214,789
	3,899,229	2,965,152	1,736,177	1,571,359

Expenses from operating leases included in rents (*note 25*).

30. Contingent assets / liabilities

Group's and Company's contingencies that appear as a result of the normal flow of operations are as follows:

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Contingent liabilities				
<i>Amounts in Euros</i>				
Letters of guarantee for securing liabilities to suppliers	8,280,646	9,782,139	4,195,947	1,045,230
Letters of guarantee for securing the good performance of contracts with customers	40,000	40,000	40,000	40,000
Other	48,773,825	41,849,645	47,673,825	41,849,645
Contingent assets				
<i>Amounts in Euros</i>				
Letters of guarantee for securing receivables from customers	186,981	379,094	-	-
Other assets	475,900	-	-	-

VI. Notes to annual financial statements

31. Transactions with related parties

Group's and Company's main transactions with related parties for the year 2010 and year 2009 and the corresponding receivables and liabilities as of 31 December 2010 and 31 December 2009 analyzed as follows:

Transactions <i>Amounts in Euros</i>	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Sales of goods				
Subsidiaries	-	-	128,051,350	92,834,372
Associates	23,330,938	14,308,588	14,178,134	8,837,655
Other related parties	20,300,387	14,520,251	5,645,519	3,519,917
	43,631,325	28,828,839	147,875,003	105,191,944
Sale of services				
Subsidiaries	-	-	2,473,040	1,858,613
Associates	133,797	153,809	132,927	109,301
Other related parties	8,324,800	879,422	642,550	398,808
	8,458,597	1,033,231	3,248,517	2,366,722
Purchase of goods				
Subsidiaries	-	-	16,342,751	9,097,103
Associates	5,028,402	2,743,102	4,335,126	1,876,957
Other related parties	24,845,152	14,497,580	2,645,998	1,313,379
	29,873,554	17,240,682	23,323,875	12,287,439
Purchase of services				
Subsidiaries	-	-	22,278,506	19,009,645
Associates	5,850,326	5,572,815	4,341,328	3,978,401
Other related parties	4,943,136	4,346,685	3,173,938	2,534,323
	10,793,462	9,919,500	29,793,772	25,522,369
Purchase of property, plant and equipment				
Subsidiaries	-	-	-	95,777
Associates	-	217,869	-	-
Other related parties	4,831,327	7,675,106	4,080,130	4,008,098
	4,831,327	7,892,975	4,080,130	4,103,875
Benefits to Management				
Fees – benefits to the members of the B.o.D. and executives	3,398,604	3,882,586	1,702,106	1,858,154
	3,398,604	3,882,586	1,702,106	1,858,154
Year-end balances				
<i>Amounts in Euros</i>				
Receivables from related parties:				
Subsidiaries	-	-	36,299,581	23,837,652
Associates	9,816,247	6,816,945	6,960,039	5,291,843
Other related parties	7,187,951	4,757,339	2,651,992	1,860,590
Total receivables from related parties	17,004,198	11,574,284	45,911,612	30,990,085
Liabilities to related parties:				
Subsidiaries	-	-	6,407,628	5,635,178
Associates	5,059,117	5,317,921	3,921,025	3,939,947
Other related parties	8,572,186	7,442,998	3,065,843	2,320,591
Total liabilities to related parties	13,631,303	12,760,919	13,394,496	11,895,716

32. Earnings per share

Basic and diluted earnings per share are as follows:

Basic and Diluted earnings / (losses) per share <i>Amounts in Euros</i>	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Earnings that correspond to Company's shareholders	8,522,747	(6,439,914)	9,488,437	(2,356,538)
Weighted average number of shares	124,100,815	124,100,815	124,100,815	124,100,815
Basic earnings per share (Euros per share)	0.069	(0.052)	0.076	(0.019)

VI. Notes to annual financial statements

33. Financial risk management

(a) Credit risk

The Financial assets subject to credit risk are as follows:

<i>Amounts in Euros</i>	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Available-for-sale financial assets	1,634,990	1,634,990	899,322	899,322
Customers	149,688,643	138,791,354	121,100,345	90,433,523
Cash in hand and cash equivalents	15,633,974	22,130,113	4,085,485	5,605,731
Derivatives	11,475,820	14,069,910	8,896,599	12,683,713
Total	178,433,427	176,626,367	134,981,751	109,622,289

(b) Liquidity risk

The analysis of financial liabilities and derivatives (buys are presented with minus and sells are presented with plus) is based on their maturity, as follows:

GROUP (*Amounts in Euros*)

Financial liabilities	31/12/2009	<1 year	1- 2 years	2-5 years	>5	Total
Bank debt	99,262,656	87,645,197	3,990,540	5,635,793	1,991,126	99,262,656
Bond loans	162,623,666	53,000,000	57,617,910	52,005,756	-	162,623,666
Financial leasing liabilities	813	813	-	-	-	813
Trade and other payables	93,797,220	93,797,219	-	-	-	93,797,219
	355,684,355	234,443,229	61,608,450	57,641,549	1,991,126	355,684,354

Derivatives (*Analysis per category*)

	31/12/2009	<1 year	1- 2 years	2-5 years	Total
Nominal value of interest rate swaps (in €)	31,249,999	1,249,999	26,250,000	3,750,000	31,249,999
Nominal value of foreign exchange forward contracts (in \$)	(60,654,766)	(79,458,626)	18,803,860	-	(60,654,766)
Nominal value of foreign exchange forward contracts (in \$)	33,617,387	30,336,309	1,609,056	1,672,022	33,617,387
Nominal value of foreign exchange forward contracts (in £)	5,617,736	5,617,736	-	-	5,617,736
Nominal value of aluminum Derivatives	(8,782,462)	3,577,263	(12,273,325)	(86,400)	(8,782,462)
	1,047,894	(38,677,319)	34,389,591	5,335,622	1,047,894

GROUP (*Amounts in Euros*)

Financial liabilities	31/12/2010	<1 year	1- 2 years	2-5 years	>5	Total
Bank debt	111,524,124	86,443,441	14,458,840	6,773,760	3,848,083	111,524,124
Bond loans	184,957,007	70,062,360	74,595,529	36,870,546	3,428,572	184,957,007
Trade and other payables	97,288,001	95,884,228	514,642	797,114	92,017	97,288,001
	393,769,132	252,390,029	89,569,011	44,441,420	7,368,672	393,769,132

Derivatives (*Analysis per category*)

	31/12/2010	<1 year	1- 2 years	2-5 years	Total
Nominal value of interest rate swaps (in €)	30,000,000	26,250,000	3,750,000	-	30,000,000
Nominal value of foreign exchange forward contracts (in \$)	(46,189,099)	(45,145,085)	(1,044,014)	-	(46,189,099)
Nominal value of foreign exchange forward contracts (in \$)	60,483,942	47,213,944	10,279,998	2,990,000	60,483,942
Nominal value of foreign exchange forward contracts (in £)	7,561,037	7,561,037	-	-	7,561,037
Nominal value of aluminum Derivatives	34,382,547	35,797,241	(1,414,694)	-	34,382,547
	86,238,427	71,677,137	11,571,290	2,990,000	86,238,427

VI. Notes to annual financial statements

33. Financial risk management (continued)

(b) Liquidity risk (continued)

COMPANY (Amounts in Euros)					
Financial liabilities	31/12/2009	<1 year	1- 2 years	2-5 years	Total
Bank debt	25,113,200	20,793,200	1,728,000	2,592,000	25,113,200
Bond loans	88,880,172	28,000,000	31,367,910	29,512,262	88,880,172
Trade and other payables	47,424,819	47,424,819	-	-	47,424,819
	161,418,191	96,218,019	33,095,910	32,104,262	161,418,191

Derivatives (Analysis per category)	31/12/2009	<1 year	1- 2 years	2-5 years	Total
Nominal value of interest rate swaps (in €)	22,500,000	-	22,500,000	-	22,500,000
Nominal value of foreign exchange forward contracts (in \$)	32,980,849	29,699,771	1,609,056	1,672,022	32,980,849
Nominal value of foreign exchange forward contracts (in £)	824,154	824,154	-	-	824,154
Nominal value of aluminum derivatives	(9,710,870)	2,218,655	(11,929,525)	-	(9,710,870)
	46,594,133	32,742,580	12,179,531	1,672,022	46,594,133

COMPANY (Amounts in Euros)						
Financial liabilities	31/12/2010	<1 year	1- 2 years	2-5 years	>5	Total
Bank debt	45,427,025	35,835,025	2,728,000	4,864,000	2,000,000	45,427,025
Bond loans	111,213,506	39,812,353	47,173,464	24,227,689	-	111,213,506
Trade and other payables	48,710,909	48,710,909	-	-	-	48,710,909
	205,351,440	124,358,287	49,901,464	29,091,689	2,000,000	205,351,440

Derivatives (Analysis per category)	31/12/2010	<1 year	1- 2 years	2-5 years	Total
Nominal value of interest rate swaps (in €)	22,500,000	22,500,000	-	-	22,500,000
Nominal value of foreign exchange forward contracts (in \$)	52,227,481	39,340,808	9,896,673	2,990,000	52,227,481
Nominal value of foreign exchange forward contracts (in £)	370,670	370,670	-	-	370,670
Nominal value of aluminum derivatives	23,346,994	24,848,088	(1,501,094)	-	23,346,994
	98,445,145	87,059,566	8,395,579	2,990,000	98,445,145

(c) Foreign exchange risk

The risk from changes in foreign exchange fluctuations is as follows:

GROUP (Amounts in Euros)					
	31/12/2009				
Foreign exchange risk	€	\$	£	Other	Total
Trade and other receivables	137,030,878	33,821,575	9,201,536	18,927,349	198,981,338
Loans	(229,940,905)	(16,636,716)	(15,308,702)	-	(261,886,323)
Trade and other payables	(66,314,369)	(16,017,966)	(5,933,518)	(5,531,366)	(93,797,219)
Cash and cash equivalents	13,266,642	(8,838,964)	17,289,617	412,818	22,130,113
	(145,957,754)	(7,672,071)	5,248,933	13,808,801	(134,572,091)

Derivatives for hedging (nominal value) (2,643,775) 636,538 4,793,582 - 2,786,345

Total Risk **(148,601,529)** **(7,035,533)** **10,042,515** **13,808,801** **(131,785,746)**

GROUP (Amounts in Euros)					
	31/12/2010				
Foreign exchange risk	€	\$	£	Other	Total
Trade and other receivables	148,395,921	31,441,769	7,465,296	15,452,549	202,755,535
Loans	(276,182,426)	(9,842,532)	(10,456,172)	-	(296,481,130)
Trade and other payables	(69,066,872)	(14,037,673)	(6,046,237)	(8,137,219)	(97,288,001)
Cash and cash equivalents	14,859,405	(55,849)	225,269	605,149	15,633,974
	(181,993,972)	7,505,715	(8,811,844)	7,920,479	(175,379,622)

Derivatives for hedging (nominal value) (6,206,930) 48,336,673 5,143,264 - 47,273,007

Total Risk **(188,200,902)** **55,842,388** **(3,668,580)** **7,920,479** **(128,106,615)**

VI. Notes to annual financial statements

33. Financial risk management (continued)

(c) Foreign exchange risk (continued)

COMPANY (Amounts in Euros)	31/12/2009				
Foreign exchange risk	€	\$	£	Other	Total
Trade and other receivables	81,885,369	24,441,132	4,746,112	515,861	111,588,474
Loans	(94,996,947)	(16,636,716)	(2,359,709)	-	(113,993,372)
Trade and other payables	(36,051,074)	(10,899,848)	(375,124)	(98,773)	(47,424,819)
Cash and cash equivalents	5,217,095	38,340	296	350,000	5,605,731
	(43,945,557)	(3,057,092)	2,011,575	767,088	(44,223,986)

Derivatives for hedging (nominal value) - 32,980,849 824,154 - 33,805,003

Total Risk **(43,945,557)** **29,923,757** **2,835,729** **767,088** **(10,418,983)**

COMPANY (Amounts in Euros)	31/12/2010				
Foreign exchange risk	€	\$	£	Other	Total
Trade and other receivables	110,920,209	19,892,477	421,792	502,290	131,736,768
Loans	(146,797,824)	(9,842,532)	(175)	-	(156,640,531)
Trade and other payables	(42,577,029)	(5,847,785)	(235,504)	(50,591)	(48,710,909)
Cash and cash equivalents	3,904,609	13,721	167,155	-	4,085,485
	(74,550,035)	4,215,881	353,268	451,699	(69,529,187)

Derivatives for hedging (nominal value) - 52,227,481 370,670 - 52,598,151

Total Risk **(74,550,035)** **56,443,362** **723,938** **451,699** **(16,931,036)**

Sensitivity analysis:

If the foreign currency increased by 10% against the euro, the effect would be:

GROUP (Amounts in Euros)	Profit and loss		Equity	
	2010	2009	2010	2009
\$	(682,338)	697,461	(4,394,243)	(57,867)
£	801,077	(477,176)	(467,569)	(435,780)
Leva	(614,325)	(1,129,061)	-	-
Ron	(20,586)	(53,527)	-	-
COMPANY	2010	2009	2010	2009
\$	(383,262)	277,917	(4,747,953)	(2,998,259)
£	(32,115)	(182,871)	(33,697)	(74,923)

(d) Interest rate risk

The risk from interest rate fluctuations is as follows:

Amounts in Euros	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Fixed interest rates				
Financial liability items	30,000,000	30,972,549	22,500,000	22,500,000
	30,000,000	30,972,549	22,500,000	22,500,000
Floating interest rates				
Financial liability items	266,481,131	230,913,774	134,140,531	91,493,372
	266,481,131	230,913,774	134,140,531	91,493,372

If interest rates increased / decreased by 0.25% the effect on profit and loss and equity would be as follows:

GROUP	Profit and loss		Equity	
	2010	2009	2010	2009
Floating interest rate	+/-706,528	+/-403,146	-	-
Interest rate swaps	-	-	+/-135,922	+/-150,887
COMPANY				
Floating interest rate	+/-351,810	+/-200,789	-	-
Interest rate swaps	-	-	+/-69,000	+/-67,000

VI. Notes to annual financial statements

33. Financial risk management (continued)

(e) Capital Management

The Group monitors and examines its capital adequacy overall based on the ratio: Net debt to EBITDA (earnings before interest, taxes, depreciation & amortization). The ratio was as follows:

<i>Amounts in €</i>	GROUP		COMPANY	
	2010	2009	2010	2009
Total debt	296,481,130	261,886,323	156,640,531	113,993,372
Less: Cash and cash equivalents	(15,633,974)	(22,130,113)	(4,085,485)	(5,605,731)
Net debt	280,847,156	239,756,210	152,555,046	108,387,641
EBITDA	68,439,668	43,534,621	36,397,064	20,666,229
Net debt / EBITDA	4.10	5.51	4.19	5.24

(f) Fair values

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: inputs for the asset or liability that are not based on observable market data.

GROUP	2010 – Amounts in €			COMPANY		
	Level 1	Level 3	Total	Level 1	Level 3	Total
Available for sale financial assets	-	1,634,990	1,634,990	-	899,322	899,322
Derivative financial assets	11,475,820	-	11,475,820	8,896,598	-	8,896,598
	11,475,820	1,634,990	13,110,810	8,896,598	899,322	9,795,920
Derivative financial liabilities	(5,420,744)	-	(5,420,744)	(4,287,456)	-	(4,287,456)
	6,055,076	1,634,990	7,690,066	4,609,142	899,322	5,508,464
2009 – Amounts in €						
Available for sale financial assets	-	1,634,990	1,634,990	-	899,322	899,322
Derivative financial assets	14,069,909	-	14,069,909	12,683,712	-	12,683,712
	14,069,909	1,634,990	15,704,899	12,683,712	899,322	13,583,034
Derivative financial liabilities	(8,519,706)	-	(8,519,706)	(6,916,030)	-	(6,916,030)
	5,550,203	1,634,990	7,185,193	5,767,682	899,322	6,667,004

34. Subsequent events

-On January 14, 2011 the subsidiary ELVAL COLOUR SA participated in the capital increase of the company CONSULTANT & CONSTRUCTION SOLUTIONS SA for €921,840 in cash and acquired the 86.8% of its share capital

- On February 28, 2011, ETEM SA, in compliance with the decision dated 11/10/2010 of its Board of Directors, set up a subsidiary in Albania trading as “ETEM Albania” which has an initial share capital of €100,000.00 divided into 10,000 shares with a nominal value of €10 each and deals mainly with the trade of metal products.

Summarized financial data and information



Summarised financial data and information for the fiscal year from January 1 to December 31, 2010 (According to article 135 of Law 2190 for companies publishing annual statements in accordance with IAS/IFRS)

The figures illustrated below, derived from Company's and Group's Financial Statements, aim to give summary information about the financial position and results of ELVAL S.A. HELLENIC ALUMINIUM INDUSTRY S.A. and the Group ELVAL S.A. Any reader who aims to invest or make any transaction with the Company, should visit the Company's web site (www.elval.gr), where he/she should have access to the Company's and Group's Financial Statements, as provided by the International Financial Reporting Standards, as well as to the audit report of the independent auditor - accountant.

S.A. Reg. No.: 3954/06/B/86/13

Registered Office address: 2-4 Messogion Av. Athens Tower

Supervising Authority: Ministry of Development (Department for limited companies)

Web address for the Company: www.elval.gr

Board of Directors: Miliadis Lidorikis (Chairman and non executive member), Dimitrios Kyriakopoulos (Vice Chairman and executive member), John Panagiotopoulos (executive member), Konstantinos Katsaros (executive member), Nicholas Kouzounis (executive member), Andreas Kyriazis (independent, non executive member), Konstantinos Bakouris (non executive member), Avraam Megir (non executive member), Konstantinos Koukellis (non executive member), Reinhold Wagner (non executive member), Gerard Decoster (independent, non executive member).

Date of approval of the financial statements (from which the summarised figures are derived): March 24, 2011

Certified Auditor: HARRY SIROUNIS (REG.No SOEL 19071)

Audit Firm: KPMG CERTIFIED AUDITORS A.E.

Review type: Unqualified opinion

STATEMENTS OF FINANCIAL POSITION (Group and Company) - amounts in Euro	GROUP		COMPANY		STATEMENTS OF COMPREHENSIVE INCOME (Group and Company) - amounts in Euro	GROUP		COMPANY	
	31 DEC. 2010	31 DEC. 2009	31 DEC. 2010	31 DEC. 2009		1 Jan.-31 Dec. 2010	1 Jan.-31 Dec. 2009	1 Jan.-31 Dec. 2010	1 Jan.-31 Dec. 2009
ASSETS									
Property, plant and equipment for own use.....	510.748.757	512.480.061	288.547.036	293.863.515					
Investment property.....	6.524.331	10.989.192	-	-	Total Sales.....	930.484.322	690.186.277	596.952.449	408.103.534
Intangible assets.....	3.259.911	2.560.695	2.333.087	1.519.968	Gross profit.....	77.036.420	51.493.324	23.036.020	8.930.707
Other non-current assets.....	13.320.281	14.445.645	163.070.762	150.688.071	Profit / (loss) before taxes from financing and investing results.....	22.904.193	572.166	10.693.800	(3.305.281)
Inventories.....	268.985.895	216.516.643	145.237.435	119.359.507	Profit / (loss) before taxes.....	16.589.923	(8.094.142)	11.454.735	(1.792.907)
Trade receivables.....	178.003.915	171.114.768	123.695.616	94.227.388	Income tax.....	(9.315.137)	(3.268.123)	(1.966.298)	(563.632)
Other current assets.....	51.330.230	61.255.408	20.670.906	33.204.074	Total profit / (loss) after taxes (A).....	7.274.786	(11.362.265)	9.488.437	(2.356.539)
Total assets.....	1.032.573.320	989.382.402	743.554.842	692.861.433	Equity holders of the parent.....	8.522.747	(6.439.914)	9.488.437	(2.356.539)
TOTAL EQUITY AND LIABILITIES					Non-controlling interest.....	(1.247.961)	(4.922.351)	-	-
Share capital.....	37.230.245	37.230.245	37.230.245	37.230.245	Other comprehensive income after taxes (B).....	2.054.907	44.783.461	(890.450)	14.079.037
Other shareholders' equity.....	480.510.186	472.640.028	450.038.479	441.430.532	Total comprehensive income (A) + (B).....	9.329.783	33.421.226	8.607.947	11.722.498
Total shareholders' equity (a).....	517.740.431	509.870.273	487.268.724	478.660.777	Equity holders of the parent.....	9.905.698	32.633.900	8.607.947	11.722.498
Non-controlling interest (b).....	43.421.376	47.522.432	-	-	Non-controlling interest.....	(675.825)	787.326	-	-
Total equity (c) = (a) + (b).....	561.161.807	557.392.705	487.268.724	478.660.777	Earnings per share after taxes - basic (in Euro).....	0,0687	(0,0519)	0,0765	(0,0190)
Long-term loans and borrowings.....	139.975.330	121.241.125	80.993.153	65.200.172	Proposed dividend per share (in Euro).....	0,0000	0,0000	0,0000	0,0000
Provisions / Other long-term liabilities.....	69.257.057	66.361.018	46.831.479	45.864.912	Earnings before interest, taxes, depreciation and amortization.....	68.439.668	43.534.621	36.397.064	20.666.229
Short-term loans and borrowings.....	156.505.800	140.646.011	75.647.378	48.793.200	Depreciation expense.....	46.555.942	44.049.875	26.362.828	24.604.028
Other short-term liabilities.....	105.673.326	103.741.543	52.814.108	54.342.372					
Total liabilities (d).....	471.411.513	431.989.697	256.286.118	214.200.656					
Total Equity and Liabilities (e) = (c) + (d).....	1.032.573.320	989.382.402	743.554.842	692.861.433					
STATEMENTS OF CHANGES IN EQUITY (Group and Company) - amounts in Euro									
Equity at the beginning of the period (01/01/2010 and 01/01/2009 respectively).....	557.392.705	507.644.708	478.660.777	465.885.060					
Profit / (loss) for the period after taxes.....	9.329.783	33.421.226	8.607.947	11.722.498					
Increase of third parties rights.....	-	15.339.384	-	-					
Increase of share capital.....	6.317	-	-	-					
Absorption of subsidiary.....	-	1.053.219	-	1.053.219					
Dividends.....	(1.550.997)	(9.317)	-	-					
Change in investments in subsidiaries.....	(4.016.001)	(56.515)	-	-					
Equity at the end of the period (31/12/2010 and 31/12/09 respectively).....	561.161.807	557.392.705	487.268.724	478.660.777					
STATEMENTS OF CASH FLOW (Group and Company - indirect method) - amounts in Euro									
Operating activities									
Profit before taxes for the period (continuing operations).....	16.589.923	(8.094.142)	11.454.735	(1.792.907)	Company name	Country	Percentage holding	Consolidation method	
Plus / less adjustments for:					VIOLALCO S.A.	Greece	66.66%	Full consolidation	
Depreciation of property, plant and equipment and amortization of intangible assets.....	46.555.942	44.049.875	26.362.828	24.604.028					
Amortization of government grants.....	(1.020.467)	(1.087.420)	(659.564)	(632.518)					
Impairment of property, plant and equipment and intangible assets.....	-	8.820	-	-					
Impairment of inventories.....	266.569	(17.803.114)	-	(12.760.797)					
Provisions.....	8.108.356	3.742.788	419.338	143.280					
Income less expenses which are not considered as cash flows.....	-	(1.371.600)	-	(1.371.600)					
Results (income, expenses, profit, loss) from investing activity.....	(8.611.476)	(3.480.730)	(6.386.128)	(5.003.347)					
Interest expense and related expenses.....	10.808.803	9.022.655	5.620.714	3.788.360					
Plus / less adjustments for changes in working capital accounts or related to operating activities:									
Decrease / (increase) of inventories.....	(52.067.033)	23.017.332	(25.877.928)	3.820.531					
Decrease / (increase) of receivables.....	(11.136.017)	24.217.565	(20.194.380)	22.353.586					
Decrease / (increase) of liabilities (except liabilities from bank loans).....	4.041.311	6.729.695	633.718	12.028.885					
Less:									
Interest payable and related expenses paid.....	(11.790.731)	(12.599.514)	(5.194.151)	(4.748.782)					
Taxes paid.....	(4.396.308)	(1.569.179)	(201.921)	(321.177)					
Total net cash (used in) / generated from operating activities (a).....	(2.651.128)	64.783.031	(14.022.739)	40.107.542					
Investing activities									
(Acquisition) / Sales of subsidiaries, associates and other investments.....	(4.816.257)	(286.052)	(14.530.263)	(10.352.405)					
Purchases of property, plant and equipment and intangible assets.....	(44.400.947)	(50.614.939)	(21.904.909)	(21.008.263)					
Proceeds from sale of property, plant and equipment and intangible assets.....	7.351.683	1.130.562	49.921	187.765					
Interest received.....	3.757.547	4.216.587	3.329.460	2.901.375					
Dividends received.....	118.956	155.788	2.911.255	2.162.129					
Total net cash (used in) / generated from investing activities (b).....	(37.989.038)	(45.398.054)	(30.144.536)	(26.109.419)					
Financing activities									
Proceeds from third parties rights increase.....	-	15.339.384	-	-					
Proceeds from issued / assumed loans.....	100.015.636	77.887.729	59.000.000	28.786.564					
Payment of loans/change in short term loans.....	(65.952.761)	(107.163.195)	(16.352.841)	(42.715.007)					
Payment of finance lease liabilities.....	(813)	(3.337)	-	-					
Proceeds from government grants.....	1.308.402	4.202.896	-	3.855.810					
Dividends paid.....	(1.425.819)	(9.425)	(130)	(108)					
Total net cash (used in) / generated from financing activities (c).....	33.944.645	(8.745.948)	42.647.029	(10.072.741)					
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c).....	(6.695.521)	9.639.029	(1.520.246)	3.925.382					
Cash and cash equivalents at the beginning of the year.....	22.130.113	12.325.295	5.605.731	1.680.349					
Foreign currency translations differences in cash equivalents at the beginning of the year.....	199.382	165.789	-	-					
Cash and cash equivalents at the end of the year.....	15.633.974	22.130.113	4.085.485	5.605.731					

THE CHAIRMAN OF THE B.O.D.
MILIADIS LIDORIKIS
Id.C.No. N 032204

A MEMBER OF THE B.O.D
NIKOLAOS KOUDOUNIS
Id.C.No. AE 012572

Athens, March 29, 2011

THE GENERAL MANAGER
LAMBROS VAROUCHAS
Id.C.No. AB 535203

THE FINANCIAL MANAGER
NICOLAOS PSIRAKIS
AT T 015643
Reg. No. 9239 CLASS A'